Austria ... Sch. 18	Indonesia .. Rp 2500	Portugal ... Esc 75
Bahrain ... Din 0.650	Italy ...... L 1100	S. Arabia .. Rls 6.00
Belgium ... BFr 38	Japan Y550	Singapore . S$ 4.10
Canada ... C$2.00	Jordan ... Fils 500	Spain .... Pts 100
Cyprus ... Mils 600	Kuwait ... Fils 500	Sri Lanka ... Rup 30
Denmark ... DKr 7.25	Lebanon .. £L 6.00	Sweden .. Skr 6.50
Egypt ..... E£1.00	Luxembourg . LFr 38	Switzerland . SwFr 2
Finland ... Fmk 5.50	Malaysia .. Rin 4.25	Taiwan . . NT $85
France .. FFr 6.00	Mexico .. Pes. 300	Tunisia .. Din 0.800
Germany . DM 2.20	Morocco .. Dh 6.00	Turkey .... L 180
Greece .... Dr 80	Netherlands . Fl 2.50	U.A.E. ... Dh 6.50
Hong Kong . HK$ 12	Norway .. NKr. 6.00	U.S.A. $1.50
India .... Rup. 15	Philippines . Pes. 20	

FINANCIAL TIMES

EUROPE'S BUSINESS NEWSPAPER

No. 29,221 — Monday January 16 1984 — D 8523 B

Dangers of industrial collaboration with Japan, Page 10

NEWS SUMMARY

GENERAL

Shelling closes Beirut airport

Beirut airport was closed by shelling which set fire to a U.S. marines fuel depot on the southern fringes of the Lebanese capital.

U.S. naval vessels opened fire against gun positions in the hills, their first action for a month. Israeli forces sealed off part of Sidon after an explosion near the docks.

In Washington, senior U.S. officials said that Syria had sabotaged the proposed new Lebanese security plan. Palestine Liberation Organisation leader Yassir Arafat, expelled from Lebanon last month, is due in Amman this week in an attempt to restore PLO relations with Jordan. Page 12

Iraq plans call-up

Iraq ordered all 18-year-old males to register for military service as the official media predicted a new Iranian offensive in the Gulf war.

Singapore MP fined

Singapore's only opposition MP, Ben Jeyaratnam and Workers' Party chairman Wong Hong Toy were found guilty of one of three charges of diverting cheques to prevent payments to party creditors. Each was fined S$1000 (U.S.$469).

Afghan breakthrough

Afghan army has broken the guerrilla blockade of strategic eastern town Urgun, sending in its first convoy since last summer, guerrilla sources admitted.

Raphael recovered

Italian police said they had recovered one of two Raphaels among seven paintings stolen from a Budapest museum in November, and were optimistic about recovery of the others, which were believed to be in Greece. Three Italians have been arrested, warrants are out for two more, and a Greek industrialist is being questioned.

Latvians convicted

Soviet court convicted two Latvians of nationalist activities and accused the U.S. of fostering anti-Soviet subversion in the Baltic republics.

U.S. soldier found

West German police were questioning a missing U.S. soldier found asleep in a barn by a farmer's wife in Bavaria, 30 hours after he telephoned his wife to say he had been kidnapped and threatened with death. He is stationed at a nuclear missile base.

'Learn English' call

Austrian Interior Minister Karl Blecha is ordering the entire police force to learn English, to ensure that tourists can be given good advice and help.

Aeroflot shake-up

Soviet Civil Aviation Minister Boris Bugayev said that state airline Aeroflot had been given a big shake-up and a comprehensive code of new air transport laws introduced. That follows a run of summer air crashes.

Benn to fight seat

Former Minister Tony Benn, who was beaten in the UK general election in June, was chosen to stand for the Labour Party in the Chesterfield, Derbyshire, by-election, expected to take place in March.

East German storms

Storms cut off electricity from about 100,000 East German homes, the official news agency said.

Briefly...

Pusan, Korea: Hotel fire death toll reached 38.

Qom, Iran: Man who tore off another man's ear in a brawl had one of his own removed, under Islamic law.

BUSINESS

Tebbit in computer challenge to U.S.

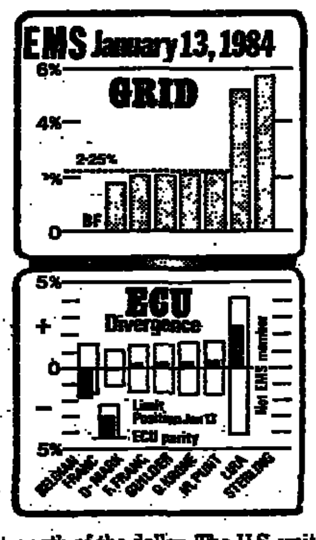
UK TRADE and Industry Secretary Norman Tebbit will visit Washington next month to challenge the U.S. on alleged disregard of Britain's jurisdiction over its own commercial affairs, particularly over the transfer of ownership of sophisticated computers between UK companies. Page 3

NIGERIA is sending a top-level team to Europe to resume negotiations on refinancing a backlog of about $5.5bn in trade payments. Page 12

ISRAEL'S *inflation reached a record* 190 per cent in 1983, and 70,000 government employees struck in protest yesterday. Page 12

EUROPEAN MONETARY System trading was subdued last week, with attention again focused on the strength of the dollar. The U.S. unit rose to record levels against several European currencies, including sterling and the French franc, despite renewed central bank intervention.

The D-Mark sank to a 10-year low and the Dutch guilder to an all-time low. The Belgian franc remained the weakest member of the system and was again placed outside its divergence limit. There was little downward pressure, however, in view of the current weakness of the D-Mark.



The chart shows the two constraints on European Monetary System exchange rates. The upper grid, based on the weakest currency in the system, defines the cross rates from which no currency (except the lira) may move more than 2¼ per cent. The lower chart gives each currency's divergence from its "central rate" against the European Currency Unit (ECU), itself a basket of European currencies.

UK ONSHORE drilling for oil and gas may reach a record level, with 62 wells planned, a Petroleum Information survey says. Page 5

UK is to re-examine the collection of value-added tax on imports, after criticism that the system is more favourable to imports than foreign arrangements are to British exports. Page 4

U.S. FLOTATIONS: 887 new companies were launched on the stock markets in 1983, attracting a record $12.9bn investment. Page 14

TORONTO'S new futures exchange opens today, with 240 members.

ITALY had its first trade surplus for four years in November, of L678bn ($396m).

NATIONAL SEA PRODUCTS, Canada's largest fishing group, has been warned by its bankers that they may call in loans if it does not produce a restructuring plan by February 9. Page 14

MORGAN GUARANTY of the U.S. has lost five members of its London investment management team to American Express. Page 14

RENAULT of France is estimated to have retained market leadership in Western European car sales in 1983, with 1.319m, ahead of Ford of Europe, with 1.308m. Page 3

GENERAL MOTORS, the U.S.-led group, plans to sell a record 1.2m cars in Western Europe in 1984. Page 14

Reagan to offer Moscow basis for 'new relationship'

BY ANTHONY ROBINSON IN LONDON AND STEWART FLEMING IN WASHINGTON

President Ronald Reagan will seek to calm domestic and international concern about his willingness to negotiate seriously with the Soviet Union in a White House speech today which is being billed by senior Administration officials as "as major address on U.S. relations with the Soviet Union."

He will offer a "constructive and realistic dialogue designed to establish a stable and mutually beneficial long-term relationship." His televised speech is being timed to coincide with this week's opening of the Stockholm conference on disarmament in Europe (CDE).

In his speech this morning, Mr Reagan will say he believes "1984 finds the U.S. in its strongest position in years to establish a constructive and realistic working relationship with the Soviet Union."

He will base that claim in part on the view that the U.S. is now dealing with the Soviet Union from a position of relative strength compared with a few years ago. "America's deterrence is more credible and it is making the world a safer place ... because now there is less danger that the Soviet leadership will underestimate our strength or question our resolve," he will say.

While stressing the common interest shared by both sides in avoiding war and seeking to reduce the level of arms, President Reagan will emphasise the importance of confidence and trust and will raise the question of alleged Soviet violation of three important arms control agreements.

That issue, spelled out in detail in a report to be presented to Congress this week, contains the high risk of further damaging U.S.-Soviet relations. But it is seen as a vital question that "cannot be easily swept under a rug," and which has to be faced squarely now, rather than being left to erupt at a later date, U.S. officials believe.

Specific U.S. complaints involving alleged use of toxic and chemical weapons, a new ABM radar system in Siberia, tests on two new intercontinental ballistic missiles, illegal encoding of radio messages from missiles and larger than permitted underground nuclear explosions. These will all be raised by Mr George Shultz, the U.S. Secretary of State, at his meeting with Mr Andrei Gromyko, the Soviet Foreign Minister, at Stockholm on Wednesday.

This will be the first meeting between the two men since their stormy encounter at Madrid shortly after the Soviet Union shot down a South Korean Airlines Boeing 747 over Sakhalin Island last September.

President Reagan's speech, underlining the U.S. desire for a balanced policy of credible deterrence and peaceful competition, reflects the general tone of Nato leaders who have called for renewed East-West contacts after the Soviet walk-out from arms control negotiations in Geneva on November 23.

So far, the Soviet Union has reacted cautiously to the new Western approach, with President Yuri Andropov and other leaders casting doubt on the good faith of Western, especially U.S., leaders. Instead, it has insisted the Soviet Union was only prepared to resume arms control negotiations in Geneva and elsewhere if Nato removed the first instalment of cruise and Pershing 2 missiles deployed in Western Europe at the end of last year under

Continued on Page 12

Kissinger report, Page 2

France wins new Saudi defence equipment deal

BY DAVID HOUSEGO IN PARIS

FRANCE has signed a big contract with Saudi Arabia for further sales of defence equipment.

It is said by reliable sources to be larger than the FFr 14bn ($1.6bn) contract signed with Riyadh in 1980 under which the French are providing Saudi Arabia with a navy.

Both the French Ministry of Defence and Thomson-CSF, manufacturers of electronic guidance and defence systems, who have the largest share in the contract, declined at the weekend to reveal details.

An announcement from the Ministry of Defence said simply that "an important agreement" had been signed between France and Saudi Arabia for the delivery of military equipment.

The statement said that the agreement had been signed between M Charles Hernu, the French Minister of Defence, and Prince Abdul Rahman bin Abdul Aziz, the Saudi Arabian Vice-Minister of Defence and Aviation.

Thomson-CSF also declined to add to its brief statement over the weekend that it would be "responsible for the electronic defence systems which form the main part of the contract."

The new agreement will provide a much-needed boost for the French arms industry, which saw orders slump last year to about FFr 30bn from FFr 41.6bn in 1982.

The contract should also provide much needed relief for Thomson-CSF, the communications and defence subsidiary of the nationalised Thomson group, which lost FFr 2bn in 1982.

Under the Sawar contract with Saudi Arabia in 1980, France agreed to supply the Saudis with four frigates, two refuelling tankers and 24 helicopters armed with air-to-surface missiles, among other equipment.

Thomson's strong links with Saudi Arabia date from 1975, when the Saudis placed with Thomson-CSF and with the French electronics firm, Matra, a contract for an air defence system to protect its armoured corps. Deliveries of the low-altitude ground-to-air missiles to be fitted to French AMX-30 tanks, also supplied by the French, began in 1980.

Under the Socialist Government, France has continued to maintain strong political and economic ties with Saudi Arabia. The two countries have closely consulted over events in Iraq and Lebanon. The Saudis also last year helped to shore up the defences of the franc by placing a large deposit with France.

Investor safeguards plan faces City of London challenge

BY JOHN MOORE, CITY CORRESPONDENT, IN LONDON

FINANCIAL institutions in the City of London are worried that their powers of self-regulation might be eroded after the publication on Wednesday of a report that will recommend wide-ranging reforms to protect investors.

The report has been prepared by Prof Jim Gower, research adviser on company law to the Department of Trade and Industry.

It will recommend a new structure for regulating the affairs of financial companies and is expected to provoke intense argument.

Prof Gower was asked to review the system for investor protection by the Trade Secretary in 1981 after a series of scandals and failures among investment companies. His plans were outlined in a discussion document published in 1982. He has proposed the creation of a new Securities Act to create a network of self-regulatory bodies.

These groups, comprised of City of London interests, would have statutory powers and report to and be directly accountable to the Trade Department.

Proposed legislation would make it an offence for companies to carry on business in the securities markets unless they were registered.

The definition of securities dealing is to be widely drawn. But companies will be able to obtain recognition through an appropriate self-regulatory agency recognised by the Trade Department.

These proposals have already been attacked by bodies which made submissions to Gower after publication of the discussion document.

- The Stock Exchange warned that its authority could be diminished if it was allowed to regulate its members' affairs only in their functions of stockjobbing or agency stockbroking.
- The National Association of Pension Funds said that Prof Gower had misunderstood the nature of pension funds.
- The London Commodity Exchange argued that any additional regulation should be confined to those engaged in investment business.
- The influential City Capital Markets Committee, made up of professionals who work in the financial markets, warned that the proposals would be "disruptive and expensive."
- The Association of Investment Trusts said that it did not accept the arguments for wide-ranging change. The proposals tended to be "over-bureaucratic," it argued.
- The Accepting Houses Committee, representing a group of elite merchant banks, which has a close relationship with the Bank of England, argued that it should be responsible for its own members' affairs.

Prof Gower has stuck to his original concept in spite of the criticism, but has accepted that many self-regulatory agencies will be necessary to supervise the City of London's affairs.

Originally he intended that there should be a minimum of four: a public issues and takeover agency; the Stock Exchange; an agency or association which would be responsible for over-the-counter markets, dealings outside the Stock Exchange and investment management and advice; and a unit trust agency.

Now he feels that there could be more than 10 agencies looking after the affairs of all financial interests.

Washington blocks bid to raise funding of IDA

By Stewart Fleming in Washington

THE U.S. has blocked efforts to top up the resources of the International Development Association (IDA) by more than $9bn over the next three years.

The IDA, an arm of the World Bank which provides 50-year interest-free loans to the world's poorest countries, had hoped to be given $12bn over the three years. In 1983, its lending was running at $3.3bn a year.

Mr A. W. Clausen, the President of the World Bank, said at the conclusion of a weekend meeting in Washington which authorised the formal $9bn replenishment that he intends to pursue efforts to secure supplementary resources for the IDA to close the gap.

All the other donor nations felt that the IDA needed a $12bn replenishment, but the U.S. was prepared to support only $9bn, citing budget constraints. Washington has been saying for several months that it was not prepared to make a contribution of more than $750m a year, as 25 per cent of the total.

The meeting failed to reach agreement on a plan for a separate boost to IDA resources, partly because of reluctance by some countries to dilute further the multi-national "burden sharing" which is one of the principles under which funds are donated to the IDA.

The U.S. has indicated that it would support, but not subscribe to, a supplementary scheme, Mr Clausen said, but there are technical obstacles such as whether and how to restrict the spending of such funds.

Mr Clausen made it clear that the failure to increase the resources of the IDA beyond $9bn would mean that both India – one of the heaviest users of IDA funds – and China – which is now in a position to participate fully in the IDA – would only be able to draw substantially smaller sums than they had hoped. He described the $9bn as "inadequate set against the very great needs of the world's low income nations."

Mr Clausen also disclosed that Japan, the second largest industrial nation, is to move from fifth place to second behind the U.S. as a shareholder of the World Bank, and also become the second largest contributor to the IDA replenishment. He said that the final details of this agreement have to be worked out. They form part of negotiations on an increase in capital of the World Bank which he hoped would be completed within a few weeks.

Big US budget deficits 'may slow recovery'

BY STEWART FLEMING IN WASHINGTON

FAILURE TO CUT the U.S. budget deficit, which reached $195bn in 1983, is limiting the scope for a decline in U.S. interest rates and might contribute to a significant slowdown in economic growth as early as 1985, the Organisation for Economic Co-operation and Development (OECD) warns in its latest economic survey on the U.S., published today.

But the report paints a relatively rosy picture of economic prospects for the rest of 1984, a presidential election year, presenting a view broadly in line with the forecasts of the Reagan Administration and many private economists. "The year is likely to bring one of the most impressive combinations of strong growth and low inflation seen in recent decades," it says.

The report forecasts that real economic growth in 1984 on a year-on-year basis will be around 5 per cent, which compares with the 5.3 per cent which the Reagan Administration is projecting. It foresees "some acceleration of inflation towards rates around 5½ per cent," a pattern which would be similar to previous U.S. recoveries when "a significant acceleration in inflation was not discernible until 2½ to three years after the cyclical economic trough." (The U.S. National Bureau for Economic Research has designated November 1982 as the bottom of the last recession.)

However, the OECD is much more pessimistic about the medium-term economic outlook than the Reagan Administration. It warns that growth may decelerate to a 3½ per cent annual rate by the end of 1984. That, it says, when taken against the recent emergence of the U.S. from its deepest post-war recession, would be only a moderate performance for the second year of a U.S. recovery and would "imply disappointing levels of profits, investment and employment."

"There are signs which could bode ill for the medium-term sustainability" of the economic upswing, it says, adding that it may be "premature" to assume that the mix of monetary and fiscal policy has put the U.S. on to a "new path of lower inflation and sustained growth." The Reagan Administration has claimed that as one of the main successes of its economic policies.

While the OECD welcomes the vigorous first-year economic recovery, it strongly aligns itself with economists inside and outside the Administration who have been arguing – it seems in vain – for early action to begin to cut the federal budget deficit, widely expected to be in the $170bn to $190bn range

Continued on Page 12

Details, Page 2; Editorial, comment, Page 10

UK public spending estimates in doubt

BY MAX WILKINSON, ECONOMICS CORRESPONDENT, IN LONDON

UK PUBLIC SPENDING has been growing substantially faster than Government figures suggest, says a confidential report to a committee of Members of Parliament.

The report, to the Treasury and Civil Service Committee, suggest that in "cost" terms, after allowing for inflation, public spending is likely to grow at an average rate of 2 per cent a year between 1980–81 and 1984–85.

This compares with a Treasury estimate in last year's public spending White Paper (policy document) that the planning total for public expenditure would rise at the rate of only 1 per cent a year in cost terms between 1980–81 and 1983–84.

Although the two estimates are on somewhat different bases, the difference between them is the equivalent of more than £1bn ($1.4bn) a year.

The Treasury and Civil Service Committee's report was written by one of its special advisers, Mr Terry Ward of the Cambridge University Department of Applied Economics.

He says that in cash terms spending in 1982–83 now appears to have been £900m higher than was estimated at the time of the last budget. The official estimate for spending in the current financial year has also been revised upwards – by almost £500m – in spite of the Chancellor of the Exchequer's July measures, when cash limits were tight-

Continued on Page 12

UK consumer spending boom, Page 4

CONTENTS

OVERSEAS NEWS

Max Wilkinson outlines the OECD report on the U.S. economy and gives the background to the budget shortfall

Recovery expected to continue next year

THE U.S. recovery is expected to continue next year, with output nearly 5 per cent higher than in 1983 after growth of 3½ per cent last year, the Paris-based Organisation for Economic Co-operation and Development says in a report published today.

The report on the U.S. economy, one of the OECD's regular country series, is dominated, however, by discussion of the dangers posed by the large federal deficits expected in future years.

Even in 1984, the OECD expects the pace of recovery to start slowing down with output growth falling from an annual rate of 4.3 per cent in the first half of the year to 3.5 per cent in the second half.

This deceleration in the growth rate is expected to be accompanied by a rapid rise in the deficit on the current account of the balance of payments from the annual equivalent of $60bn (£42bn) in the second half of 1983 to $90bn in the second half of this year.

The organisation also expects some acceleration in the inflation rate, with an annual rise in consumer prices picking up from 3.2 per cent in the first half of 1983 to 5.7 per cent in the second half of this year.

The report says that much of the present recovery has been financed by a sharp drop in the proportion of incomes channelled into savings.

There is little evidence so far that the proposition that a combination of tax cuts and high interest rates would cause people to increase their savings.

It points out that the present level of savings may not be high enough to match the combination of future federal deficits and the possible demands for credit from the private sector.

In the period April-September last year, the average proportion of income saved was only 4.4 per cent, compared with 6 per cent in the last economic cycle and 5.4 per cent at the last trough in business activity, at the end of 1982.

The actual federal deficit in 1984 is expected to remain near its current level of around $190bn with interest rates little changed by the end of the year.

"As regards other possible influences, the rapid pace of the early recovery is projected to abate somewhat, so there would not seem to be great dangers of heightened fears of future crowding out depressing bond prices further."

However, any decline in interest rates is expected to be limited by the underlying savings and investment prospects and the outlook for the deficit.

"An upturn in business fixed investment, while reasonably strong, is not expected to be buoyant enough to compensate for the loss of other demand components.

"Assessed against the background of the deepest post-war recession, the forecast for the second year of the recovery is modest, implying relatively low levels of profits, investment and employment by historical standards.

"Given the low level of competitiveness, a more advanced recovery in the U.S. than elsewhere, and the exchange rate assumption (the dollar unchanged), net exports will continue to restrain real output growth throughout the forecast period."

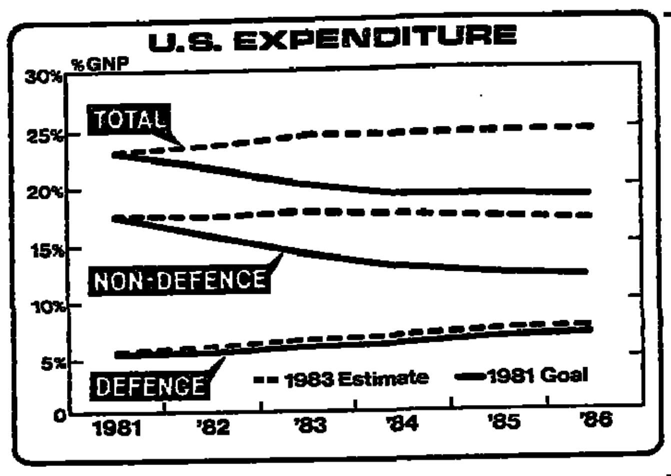
A substantial fall in the value of the dollar, though it would improve the balance of the current account, and help industry, could give an extra twist to inflation.

The OECD calculates that a 20 per cent decline in the dollar from its current levels could add three to four percentage points to the inflation rate.

A decline in the dollar would make it more difficult for the U.S. to finance its deficit through foreign borrowings, and would put extra strain on its money supply policy.

If domestic monetary policy remains unchanged in the face of a dollar fall, and a consequent increase of inflation, the growth rate of the economy would be adversely affected.

United States—OECD Economic Survey from 2 Rue Andrew-Pascal, 75775 Paris CEDEX 16, France.



OECD FORECAST SUMMARY FOR U.S.
Per cent changes from previous period, 1972 prices

	1982	1983 I	1983 II	1984 I	1984 II
Private consumption	1.4	4.8	5.4	4.2	3.9
Government expenditure	1.8	−2.3	1.3	0.6	2.4
Private fixed investment	−6.9	10.3	18.2	10.0	5.3
Non-residential	−4.7	−0.6	13.4	11.2	6.7
Residential	15.3	41.9	34.5	6.4	1.1
Final domestic demand	0.2	4.1	6.4	4.4	3.8
Stockbuilding*	−1.2	0.2	2.6	0.7	0.3
Total domestic demand	−1.0	4.4	9.1	5.1	4.1
Exports	−7.8	−6.5	5.2	2.2	3.4
Imports	1.4	4.1	23.9	11.9	10.0
Foreign balance*	−0.9	−1.0	−1.3	−0.8	−0.6
GNP	−1.9	3.3	7.6	4.3	3.5
Consumption deflator	5.8	3.2	4.4	5.5	5.7
Unemployment rate†	9.7	10.2	9.1	8.3	7.9
Current account balance $bn	−11	−27	−59	−73	−91

* Change expressed as a per cent of GNP in the previous period.
† Average unemployment rate for the period, per cent labour force.

Call for action on deficit before presidential election in November

THE OECD describes in detail how the current budget deficit has soared far above the levels which the Administration was expecting in its medium term economic strategy published in 1981.

The organisation says that while present and planned defence spending has risen a little faster than expected, plans for non-defence spending have not been reduced by nearly as much as the Administration wanted.

This is largely because of disputes with Congress, but the organisation says it sees little political chance that non-defence spending will be much reduced in the near future.

At the same time, revenues have fallen far below projected levels partly because of the depth of the recession, but mainly because of forecasting errors and a greatly over-optimistic view which was taken about the effects of the Administration's supply-side measures.

As a result, a deficit of a little over 6 per cent of GNP is expected until 1986 compared with the expectation in 1981 that a small budget surplus could be achieved after 1985.

The OECD says that even a very strong continued recovery in output would not now be likely to reduce deficits below about 5.5 to 7 per cent of GNP for the foreseeable future.

It therefore called for an urgent programme of action to tackle future deficits to be got under way before the presidential election in November.

It says that this should include:

● A short term compromise on spending priorities for fiscal 1985 whose future implications could be revised after the election.

● Interim agreement on the contingency tax plan proposed in the last budget for introduction in 1986.

● The preparation of a longer term reform of the tax system, with the aim of broadening the tax base, and reducing tax concessions and tax expenditures.

● Reform of the budgetary process which would improve expenditure control.

The OECD says that if early talks on tackling future deficits are not started at once, new policy would not be considered until 1985 and would not become effective until fiscal 1986. It says: "This would be a worrying prospect."

In the absence of such reforms the report identifies three main areas of concern for the economy. These are:

● The possibility of a clash between strict monetary policy and growing credit requirement genkrated by the recovery driving up interest rates and eventually crowding out domestic investment. It says this clash could come earlier in this recovery than in the past.

● Faster monetary growth might for a time ease the conflict, but such a course would almost certainly lead to an early resurgence of inflation and hamper the prospects for growth in the medium term.

● A greater share of domestic investment could for a time be financed through higher capital inflows from abroad but this would further crowd out net exports. Alternatively if the current account deficits associated with higher capital inflows came to be viewed as unsustainable by the foreign exchange markets, the dollar could plunge. This would harm the prospects for domestic inflation.

The report also says that in current circumstances efforts to restain the growth of the money supply by raising interest rates could be less effective than in the past cycles, especially if liquidity were tight.

It also says that the present mix of policies could have adverse implications for the long-term allocation of resources, with activity being pushed into the state sector of the economy rather than into market orientated investment.

It says: "Timely and appropriate fiscal action could but enhance the effectiveness of monetary policy and obviate the need for tighter medium term conditions."

Reagan prepares to implement Kissinger commission findings

BY STEWART FLEMING IN WASHINGTON

THE REAGAN Administration is preparing a comprehensive plan to implement the main recommendations contained in the Kissinger commission report on U.S. policy in Central America, released last week.

President Reagan disclosed his decision in his regular radio broadcast on Saturday.

"I am committed to preventing Cuban and Nicaraguan supported guerrillas from violently overthrowing El Salvador's elected government and others in the region" he said.

A senior administration official said after the broadcast that the legislative proposals would be "designed to encompass ... all of the recommendations of the commission."

Among its key recommendations, the commission proposed a sharp increase in U.S. aid to the area to $8.4bn over the years 1985–89, and a substantial rise in military assistance to the region, in particular to El Salvador.

But the report insisted that military aid should be tied to progress on human rights in the countries receiving it "through legislation requiring periodic reports," something the Reagan Administration was hitherto strongly resisted.

Commenting yesterday on the likely shape of the Administration's legislative proposals the official said that President Reagan did not believe the $8.4bn figure was "exorbitant."

He pointed out that it was some $2.8bn more than the Administration was planning to spend in the region over the five years.

He added that President Reagan agreed with the "rough approximations" of the sums the commission cited as needed for military assistance in the region. The commission suggested an increase to $400m in U.S. military aid to El Salvador in 1984-85, which compares with the $64.8m already appropriated.

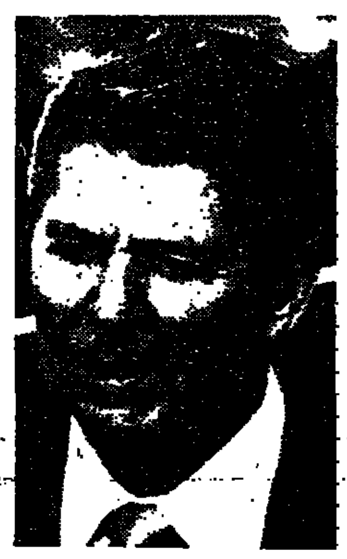
The Administration has already said that it plans to seek some $176m more in the current fiscal year and an additional $159m in the 1985 budget for military aid to El Salvador.

Congressional critics of the Kissinger commission have already made it clear that they are reluctant to envisage a substantial increase in aid to the region partly because of the Government's budget problems. They will scrutinise carefully the compromise the Administration is planning to offer on the critical question of monitoring human rights progress.

The White House is leaving its thinking on this issue deliberately vague, suggesting only that there are options such as allowing waivers of human rights clauses or broad criteria for judging human rights progress which it hopes could be worked out with Congress.

Last year the President vetoed a Bill requiring legislative certification of human rights improvements in El Salvador, a move which underlines the gulf between administration and congressional thinking on the subject which has existed to date.


Mr Henry Kissinger


Mr Ronald Reagan

Delors in warning on movement of capital

By David Housego in Paris

M JACQUES DELORS, the French Finance Minister, has raised the possibility of penalties being imposed on movements of capital from Europe to the U.S.

He told a gathering of European socialists in Paris that he was not making a proposal, but the idea was an example of what Europe could do in face of U.S. intransigence.

M Delors said that $150bn had found refuge in the U.S. last year and the amount could grow to $300bn by 1988.

M Delors' remarks follow his strong statement to the French Cabinet last week, in which he condemned U.S. "egocentricity" in refusing to amend its budgetary and monetary policy to prevent the continuing rise of the dollar.

His remarks followed the rebuff last Monday of a joint move by deputy finance ministers of the Group of Five major industrialised countries who asked for U.S. action over the budget deficit and monetary policy.

But at the Cabinet meeting it is believed that M Delors had no new suggestions to curb the strength of the dollar.

M Delors also told the European socialists that it was "not excluded" that he would head the French socialist list for the European elections in June.

M Delors said that Europe now found itself in a "dramatic situation."

Argentina seeks delay on loan payment

BY PETER MONTAGNON, EUROMARKETS CORRESPONDENT

ARGENTINA'S NEW Economy Minister, Sr Bernardo Grinspun, has asked the country's commercial bank creditors for a one-month delay in a payment of $350m (£250m) due on the $1.3bn bridging loan grainted to the country a year ago.

The request, telexed to creditor banks over the weekend, follows talks between the Minister and leading bank creditors in New York last week.

The telex says Argentina needs "time for the preparation and discussion of its short-term programme and further discussions with the International Monetary Fund."

A group of 27 Latin American nations has issued a document urging that their Western creditors make sweeping changes to ease the burden of the region's $130bn (£220bn) of debt.

The document, backed by countries ranging politically from Chile to Cuba, called for Western banks to drastically reduce interest rates and commissions on all new loans and resceduling packages involving Latin America.

It also recommends countries allocate no more than a "reasonable percentage" of their export earnings to debt service payments.

Repayments of the bridging loan were originally timed to coincide with disbursements by the IMF of its $2bn one-year standby loan granted to the previous military Government.

However, the IMF has stopped disbursements on its loan and the new Government is to seek a fresh agreement with the Fund.

At last week's meeting Sr Grinspun specifically stated that Argentina would keep interest payments up to date on the bridging loan and on the $1.5bn medium-term loan also granted by the banks last year.

Only $500m of the medium-term loan has so far been disbursed. Interest arrears on Argentina's $43.6bn foreign debt total $2.9bn.

Argentina has already repaid $550m of the bridging loan. If it repays the next $350m according to the new schedule on February 15, the outstanding balance will be reduced to $400m.

Dispute hinders Morocco's bid to reschedule $530m

BY FRANCIS GHILES

MOROCCO'S efforts to reschedule about $530m (£353m) in debt owed to commercial banks are being hampered by a dispute over whether the country's Central Bank should be a co-signatory to the final agreement.

The 10 bank steering committee of leading creditor banks, chaired by Citibank and Banque Nationale de Paris, want to draw the Central Bank into the agreement because of its involvement in the country's foreign exchange cash-flow.

The banks also point out that the central bank signature would give them a greater security as the central bank maintains foreign exchange deposits abroad.

Morocco has so far resisted the banks' request on the grounds that it would be an infringement of the country's sovereignty, but the basic terms of the refinancing have otherwise been agreed in principle and a compromise is likely to emerge shortly.

The banks have offered to refinance 100 per cent of the principal debt owed to them which fell due in the last four months of 1983 and 90 per cent of the principal which falls due in 1984 over an eight-year period with three years' grace.

The kingdom will pay a margin over the interbank rate of 1¾ per cent on the amount rescheduled, which amounts to $530m.

The kingdom's foreign trade deficit declined by a quarter during the first eight months of last year, to just over $900m, with imports surging by 15 per cent to just over $1bn.

Peru set to reopen talks with banks in New York

BY DOREEN GILLESPIE IN LIMA

THE International Monetray Fund, after some scepticism, has accepted Peru's new economic programme for 1984-1985 and fresh refinancing negotiations with commercial banks are expected to begin in New York at the end of the month, according to Sr Carlos Rodriguez Pastor, Peru's Finance Minister.

However, Peru has failed to reach agreement with the IMF on the renewal of its three-year SDR 650m (£ m) extended fund facility which was suspended last year because the Government failed to meet targets.

Instead, a technical team headed by Mr Brian Jensen, Central Bank manager, is in Washington negotiating an 18-month standby credit for SDR 300m.

According to local reports Peru had rejected IMF requirements for an immediate devaluation of 20 per cent of the sol against the dollar before signing a new agreement. Peru's main target is to reduce the public-sector deficit from 10.3 per cent of GDP to under 4 per cent.

In a speech broadcast in Lima on Thursday, Sr Pastor outlined the new economic programme which implies acceptance of the main IMF terms. The programme includes new cuts in government spending, including defence purchases and public investment.

The mini-devaluation of the sol is to continue on a daily basis. The central bank, however, is to eliminate the practice started last August of pre-announcing a rate three months in advance which economists see as an indication of a possible devaluation before the end of the quarter. Sr Pastor also said interest rates would become more realistic

Hesse Greens support SPD on state budget

BY JAMES BUCHAN IN BONN

WEST GERMANY'S Greens (environmentalists) took a first tentative hold of political power at the weekend when the party in Hesse voted narrowly to support the minority Social Democrat government in the state.

At a passionate and chaotic party congress in the village hall of Usingen, north of Frankfurt, a tiny majority of the 800 delegates voted to permit their seven state deputies to vote with the state government on its budget for 1983, which has still not been passed.

The decision, taken despite the furious opposition of the party federal executive and the raucous opponents of concessions (known in Greenspeak as "Fundamentalos"), is by far the most important taken by the party in its four years of existence.

Herr Holger Börner, the SPD acting Prime Minister (known in his own party as "the fat man"), entered negotiations with the Greens last November to try and push the legislation through the Landtag which has been hung since the ecologists were elected in September 1982.

In five rounds of negotiations, he skilfully manoeuvred the deeply divided Green deputies away from such demands as the immediate closure of the Biblis atomic power station or the re-afforestation of the new Frankfurt runway.

Even non-Fundamentalos admitted that the negotiations had produced feeble results but speakers such as Herr Hubert Kleinert and Herr Joseph "Joschka" Fischer, Bundestag deputies from the state, argued powerfully that political responsibility was the only way to save the party from eventual extinction.

"We're supposed to be political yeast," said Herr Karl Kerschgens, who led the negotiations with Herr Börner. "You can't leave the yeast in the fridge." The Fundamentalos argued that the party would lose grass-roots support.

HK police arrest 172

BY ROBERT COTTRELL IN HONG KONG

HONG KONG POLICE have arrested 172 people, mostly youths, on charges relating to Friday night's riot in the colony's Yaumatei and Mongkok districts.

The disturbance lasted some five hours, with an estimated 10,000-strong crowd thronging local streets. Shops were looted, 27 vehicles damaged, police stations stoned, and an unsuccessful attempt made to burn down a local government building.

It was the worst civil unrest in Hong Kong since 1967.

FINANCIAL TIMES, USPS No. 190640, published daily except Sundays and holidays. U.S. subscription rates $420.00 per annum. Second class postage paid at New York, N.Y. and at additional mailing offices. POSTMASTER: send address changes to: FINANCIAL TIMES, 14 East 60th Street, New York, N.Y. 10022

WORLD TRADE NEWS

UK to press protest in computer licence row with U.S.

BY CHRISTIAN TYLER, WORLD TRADE EDITOR, IN LONDON

THE BRITISH Government is preparing further protests about alleged U.S. disregard of Britain's jurisdiction over its own commercial affairs.

Mr Norman Tebbit, Trade and Industry Secretary, will lead a delegation of officials on a visit to Washington next month to try to resolve long-standing arguments about the way U.S. legislation is applied to companies registered in the UK, the so-called extra-territoriality issue.

The problem surfaced again last week when it became clear that the U.S. insists on controlling the transfer of sophisticated computers between British companies, even within the UK.

Department of Trade and Industry officials and lawyers from IBM (UK) met last week after IBM had sent a reminder to 30 UK computer leasing companies about the need for U.S. licences. Licensing is part of Washington's attempts to prevent militarily useful technology reaching countries such as the Soviet Union.

The U.S. Embassy in London appeared reconciled yesterday to the inevitability of another British diplomatic protest. It said that the rules, however sensitive politically, have been in force for years and have never caused difficulty in practice.

Ministers may be under pressure to react strongly this week. The UK Liberal Party's trade and industry spokesman, Mr Paddy Ashdown, said that the question is an issue as important as "dual key" control of U.S. cruise missiles deployed in England. He said Ministers should strongly reassert British sovereignty and that the plans to raise the matter in the House of Commons.

A separate but related question of Nato's supervision of technology transfer was raised yesterday by a report that the Pentagon is trying to get IBM's personal computer *added to the Allies' list of restricted* exports. A Trade Department spokesman said, however, that virtually all computer products were already subject to licence under the last Nato agreement.

SHIPPING REPORT

Gulf tanker tonnage 'an albatross on the market'

BY ANDREW FISHER, SHIPPING CORRESPONDENT

BUSINESS picked up on the tanker market last week, although there was little activity from the Gulf, where far too many ships are becoming available for the limited volume of demand for cargoes.

The liveliest market was the Caribbean and the East coast of Mexico. There were also a number of fixtures from West Africa, including some VLCCs (very large crude carriers) for cargoes to Europe and the U.S. From the Mediterranean, however, business was slight and rates stayed low.

E. A. Gibson Shipbrokers said that trading conditions for shipowners from the Gulf area remained desperate. "The enormity of tonnage available overhangs the market like an albatross." But unlike the previous week, there were some VLCC fixtures from the area, mostly to the East.

These included a 230,000 ton cargo from Kharg Island, the Iranian terminal, to Japan at Worldscale 27 and one of 205,000 tons to Singapore at Worldscale 29½. There were no confirmed fixtures of VLCCs from other loading ports or for Western destinations. Cargoes up to 130,000 tons were arranged to Japan and Australia.

Some improvement was seen in the bulk carrier market, noted Galbraith Wrightson, the emphasis being on Panamax vessels (60-80,000 deadweight tons and able to pass through the Panama Canal).

World Economic Indicators

RETAIL PRICES (1975 = 100)

	Nov. '83	Oct. '83	Sept. '83	Nov. '82	% change over previous year
W. Germany	141.5	141.2	141.2	138.0	2.6
France	235.4	234.2	232.3	214.2	9.9
Italy	360.0	356.5	351.2	319.5	12.7
UK	253.6	252.7	251.9	241.9	4.8
U.S.	188.0	187.9	187.2	182.1	3.2
Japan	152.3	152.6	151.2	149.0	2.2
Netherlands	159.5	159.0	158.1	155.0	2.9
Belgium	175.8	174.9	174.9	164.5	6.9

Source: Eurostat

W. German compressor sale to Pakistan

AEG-TELEFUNKEN and Mannesmann have won a contract worth over DM 65m ($2.3m) to supply six compressors to Pakistan, Reuter reports from Frankfurt.

AEG-Kani Turbinenfabrik of Nuremberg will have a part of the contract worth DM 45m, with the balance going to Mannesmann Demag.

The compressors will be run by gas turbines with an output of 10 MW and are due to be delivered at the end of 1984.

The compressors will be used to compensate for slackening pressure at Pakistan's largest natural gas field,

Indonesian dam work to resume

By Kieran Cooke in Jakarta

WORK ON the £250m Mrica hydroelectric project in central Java will resume next month according to Mr Norman Lamont, the British Minister of Industry.

The project, which involves a consortium composed of Balfour Beatty and Boving of the UK and Skanska and Asea of Sweden was postponed by the Indonesian Government last year along with other projects in a move to reduce expenditure in the face of falling oil revenues.

Mr Lamont, on an official visit to Indonesia, said there was an element of British aid in the renegotiated deal.

Usinor signs steel contract

THE STATE-OWNED steel group Usinor has signed a contract to deliver 400,000 tonnes of steel products worth more than FFr 1bn ($114.9m) to the Soviet Union in 1984–85, Reuter reports.

The contract, signed on January 11 in Moscow by M Raymond Levy, Usinor chairman, and the Soviet buying agency Promsyrioimport, is backed by a credit from the French export credit agency Coface.

Swiss examine Fokker 100 jet

SWISSAIR is evaluating the new Dutch-built Fokker 100 twin-jet as a possible successor to the DC-9-32 aircraft, John Wicks writes from Zurich. The Fokker model, which is intended to start test flights in the spring of 1986 and would probably be available for sale to airlines about a year later, offers three-class accommodation for 100 passengers and costs SwFr 30m ($13.3m).

Renault hangs on to lead in Europe

BY KENNETH GOODING, MOTOR INDUSTRY CORRESPONDENT

THE RACE between Ford and Renault · the title of West European car sales champion almost ended in a dead heat. But Renault has kept the market leadership it has held since 1980 by a nose.

According to authoritative estimates circulating within the industry, as few as 10,000 cars separated the two companies as the chequered flag came down. Renault, the French state-owned group, is estimated to have captured 12.6 per cent of the 1983 European car market with sales of 1.319m. Ford of Europe achieved 12.5 per cent with registrations of 1.308m.

As late as the Frankfurt Motor Show in September, Ford believed it had won the race and by the end of October it *was still in the lead with a* market share of 12.7 per cent against Renault's 12.4 per cent.

Ford can take come consolation from the fact that it had its best-ever European car market penetration, moving up from 12.3 per cent in 1982 with a 6.1 per cent increase in unit sales.

EUROPEAN CAR MARKET SHARE (%)

	1983	1982
Renault	12.6	14.4
Ford	12.5	12.3
Fiat	12.0	12.3
VW-Audi	11.9	11.9
Peugeot	11.7	12.3
General Motors	11.2	9.6
Combined Japanese	10.1	9.5

In contrast, Renault's market share slumped from 14.4 per cent in 1982 and its volume sales by 8.9 per cent. The group was the only major car producer in Europe to suffer a volume sales decline last year.

The industry estimates suggest West European car sales rose by 4.7 per cent to 10.5m in 1983. The Jostling for position at the top of the manufacturers league continued throughout the year ultimately only 1.4 percentage points separated the top six companies.

Fiat was in third place with a 12 per cent share, down from 12.3 per cent in 1982. The Volkswagen-Audi group maintained an 11.9 per cent penetration but Peugeot-Citroen-Talbot dropped from 12.3 per cent to 11.7 per cent.

General Motors, using the Opel and Vauxhall badges in Europe, continued to make gains and last year pushed its share up from 9.6 per cent to 11.2 per cent.

The Japanese also had a good year in Europe, pushing their combined market penetration up from 9.5 per cent to 10.1 per cent in 1983 as a result of a 10.7 per cent increase in unit sales.

Reuter adds from Peking: *American Motors have inaugurated* a joint venture with China to make four wheel drive vehicles in Peking. Production of a new Jeep will start in two to four years. Chen Muhua, the Foreign Trade Minister opened the $51m venture yesterday at the Jeep factory previously run by Peking Automotive Works, the Chinese partner.

It will initially make about 70 Chinese-designed BJ212 Jeeps a day for the domestic market. Later it will start manufacturing a second-generation BJ213 Jeep, using four-cylinder engines now produced by AMC, Mr Tod Clare, AMC vice-president said. In the original contract signed in May, 1983, this Jeep was not to be produced for seven years. The joint venture is the largest in the machine building industry and plans to challenge Japan's dominance of the Far East four-wheel-drive vehicles market, the world's largest.

In Detroit, General Motors said it was considering manufacturing small cars for export *from South Korea in association* with Daewoo. Since 1978 GM has had a 50 per cent partnership in Daewoo Motors. Neither company has yet given final approval to the project.

GM sales aim, Page 16

Singapore airline wins more Pacific flights

BY CHRIS SHERWELL IN SINGAPORE

SINGAPORE International Airlines is to increase its trans-Pacific services through Hong Kong from five to seven a week following agreement with the British Government.

The agreement concludes two years of negotiations. SIA has also been arguing with the U.S. Civil Aeronautics Board and *competing U.S. airlines over its* bid to increase flights through Tokyo to Los Angeles.

Under last week's accord SIA will add two more flights to Honolulu and San Francisco via Hong Kong to make its total number of U.S. flights 13 a week. It will give up its daily flight to Hong Kong via Bangkok and relinquish its right to carry passengers between Tokyo and Hong Kong.

Cathay Pacific, the Hong Kong airline, will continue with its present flights to and through Singapore, so that the two airlines will now operate the same number of services. Provision has been made for each airline to operate seven additional services a week when there is sufficient demand.

Blow to Airbus as Egypt opts to buy Boeing 767

BY CHARLES RICHARDS IN CAIRO

EGYPTAIR, the national carrier, has agreed to buy three Boeing 767 widebodied air*liners, dashing hopes for Airbus* Industrie's rival, the A310. An Egyptair spokesman said that the three Boeing 767-ER-200, the extended range version, would cost over $160m.

Delivery is expected in July and August. Egyptair also has an option on two more of the aircraft. The order, though modest, was strongly contested by Boeing and Airbus Industrie, the European consortium involving France, West Germany, Britain and Spain, which are locked in battle for the market in medium- and short-range wide-bodied aircraft.

Although Airbus is said to have offered better price and financing terms, Egyptair says it chose Boeing because the 767 has a greater range. The U.S. Eximbank is providing export cover for up to five aircraft. Egyptair is considering buying two 747s for longer haul flights.

Reuter adds from Paris: Air Inter, the domestic French airline, has signed a contract to buy 10 of the new A-320 medium-range airbuses — the 150 seater version—and has taken an option on 10 more.

Wine Bill threatens U.S. moves on grain

By Nancy Dunne in Washington

CONGRESSIONAL legislation demanding reciprocal treatment for U.S. wines is threatening the Reagan Administration's attempt to head off new EC measures against American grain imports.

The proposed Wine Equity Act directs the U.S. trade representative to negotiate the elimination of tariffs and other barriers raised by wine exporting countries. If a nation refuses after six months to lower its barriers, the President can order the same barriers against that country's wines. So far the legislation has attracted good support and seems likely to be passed in both houses.

U.S. officials have warned that passage would not help reduce foreign barriers, but would create additional friction with the U.S.'s trading partners. They point out that low tariff levels on U.S. wines have been granted in return for concessions on other U.S. exports.

The Reagan Administration has consistently attacked EEC proposals to limit imports of duty-free maize glutens and citrose pellets, saying that the market was "bought and paid for with U.S. trade concession." A limit on maize glutens or imposition of a Community tax on certain oils will bring about immediate retaliation, Administration officials insist. Heading the list of potentional targets is European wine. Passage of the U.S. wine legislation would remove an important bargaining counter.

American winemakers have long argued that they are unfairly penalised because they must pay several dollars a gallon in EEC tariffs. They complain that Community wine subsidies have been rising, from $60m in 1978 to $600m in 1982.

UK NEWS

VAT collection under scrutiny

BY ALAN PIKE

THE GOVERNMENT will re-examine the mechanism for collecting VAT on imports after criticism that the present arrangements have led to increased import penetration.

In a strongly worded memorandum to the National Economic Development Council this week, the council's knitting economic development committee said the UK's postponed accounting system (PAS) for VAT is "equivalent to an undated interest-free loan to importers financed by the Exchequer."

Under the UK system a trader buying goods from overseas suppliers becomes liable to VAT on clearance from customs. But PAS allows settlement of this liability to be postponed until the next quarterly VAT return.

An EEC draft directive has proposed harmonisation of VAT payments on imports along the lines of the UK's PAS approach.

Pace of consumer spending points to sustained recovery

BY PHILIP STEPHENS

SPENDING IN Britain's shops and stores shows no signs of abating after last month's record Christmas trading, according to a joint Confederation of British Industry – Financial Times survey published today.

The monthly survey of the distributive trades shows that sales volume in December exceeded expectations, with a balance of 50 per cent of respondents reporting increased sales compared with a year earlier. (The balance represents the number of companies with higher sales minus those with lower levels).

More significantly, a balance of 47 per cent of the 509 companies questioned expects the volume of sales in January to be above those in the same month of 1983.

This does not necessarily imply an absolute increase on December since there was a drop between the two months in 1983, but it does lend weight to other evidence showing that the consumer-led recovery remains strong.

Orders placed by distributors with suppliers are expected to show a significant increase in January.

Retailing once again emerges as the most buoyant sector of the distributive trades, with a balance of 65 per cent reporting higher turnover in December and forecasting further growth this month.

The survey shows a healthy balance of 55 per cent of companies in wholesale distribution reporting a rise in the volume of sales last month, although that figure is expected to fall to 41 per cent in January.

Motor traders reported a slight decline in turnover last month, but for the first time since the new registrations boom in August they expect a modest increase in January.

The survey is the sixth since the series was started in July last year. Overall, it gives encouragement to Government forecast that the economic upturn will be sustained at a steady pace this year.

Inveresk to close four paper mills

By Andrew Fisher

C-P INVERESK, the UK papermaking subsidiary of Georgia Pacific of the U.S., is closing several of its paper mills after making heavy losses on some activities.

In a statement which gave no details of how many jobs would be affected or of the size of the losses, the company said it planned "the imminent closure" of four mills in England and Scotland.

Georgia Pacific acquired Inveresk for £7m in 1981. The UK company, which makes fine papers, as well as papers for packaging and specialised uses, was losing heavily then. It made £6.8m loss in 1980 before tax.

The UK company said the latest losses were mostly due to adverse factors outside its control, including exchange rate movements. These, and the state of the UK economy, "have made it increasingly difficult for UK paper manufacturers to remain competitive."

It said there was "no immediate prospect of these losses being substantially reduced." Included in the planned closures will be the Witchampton paperboard mill in Dorset, the Woodhall paperboard mill and the finishing operation at Lochmill both in Scotland.

Lonrho attacks Fraser inquiry

By Alison Hogan

THE DEPARTMENT of Trade inspector investigating recent share dealings in House of Fraser, the Harrods stores group, has been criticised by Lonrho, Fraser's main shareholder, for not questioning any Lonrho directors and for delaying publication of the report.

The report may not be published before March when Fraser's annual results are announced.

An inspector was appointed to determine whether Lonrho, with a 29.9 per cent stake in Fraser, had arranged a "concert party" with other shareholders, to try to gain control of the stores group.

Lonrho is making its own inquiry in the share dealings and is seeking an explanation of the purchase of 2m Lonrho shares by the Kuwaiti-owned Gulf Fisheries the morning before the Trade Department inspector was appointed.

Notice of Redemption

Continental Telephone International Finance Corporation

8¼% Guaranteed Debentures Due 1986

NOTICE IS HEREBY GIVEN that, pursuant to the provisions of the Indenture dated as of February 15, 1971 under which the above described Debentures were issued, Citibank, N.A., as Trustee, has drawn by lot, for redemption on February 15, 1984, through the operation of the sinking fund provided for in said Indenture, $1,941,000 principal amount of Debentures of the said issue of the following distinctive numbers:

COUPON DEBENTURES OF $1,000. PRINCIPAL AMOUNT OUTSTANDING

53	1180	2896	4102	5410	6519	7318	9712	11932	15253	16139	16805	17556	18187	18672	19247
60	1181	2898	4118	5412	6525	7323	9714	12058	15257	16140	16806	17557	18191	18673	19248
64	1223	2893	4138	5413	6526	7329	9717	12059	15258	16141	16818	17558	18192	18674	19252
80	1225	2894	4139	5429	6548	7335	9746	12074	15293	16143	16821	17584	18194	18675	19262
83	1227	2913	4142	5432	6551	7350	9748	12075	15298	16145	16822	17585	18195	18677	19277
108	1330	2919	4238	5446	6552	7446	9750	12076	15422	16146	16823	17586	18201	18683	19278
110	1358	2920	4244	5459	6554	7484	9751	12169	15426	16149	16825	17589	18206	18699	19281
128	1363	2934	4276	5461	6555	7522	9754	12171	15428	16150	16826	17618	18210	18707	19282
146	1365	2943	4310	5463	6556	7526	9755	12172	15440	16151	16827	17621	18212	18717	19283
147	1388	2944	4315	5475	6559	7568	9884	12177	15444	16153	16828	17623	18213	18718	19284
148	1393	2965	4320	5486	6569	7569	9886	12180	15449	16158	16829	17642	18221	18719	19289
164	1395	2968	4354	5509	6570	7570	9887	12321	15453	16161	16830	17644	18229	18720	19290
170	1396	2974	4370	5510	6577	7571	9888	12322	15464	16169	16831	17672	18236	18722	19291
178	1441	2975	4373	5514	6579	7572	9918	12327	15474	16173	16832	17674	18237	18723	19296
190	1442	2976	4374	5522	6580	7577	9919	12346	15476	16177	16833	17676	18240	18728	19300
191	1444	3007	4378	5525	6586	7578	9922	12432	15479	16178	16836	17677	18243	18736	19306
194	1532	3052	4379	5527	6587	7591	9925	12433	15487	16179	16840	17682	18251	18737	19307
202	1536	3053	4380	5536	6588	7597	9926	12460	15495	16181	16863	17684	18259	18739	19313
206	1576	3054	4385	5538	6589	7600	9927	12466	15496	16182	16864	17687	18260	18741	19315
212	1577	3055	4388	5545	6591	7645	9940	12470	15499	16188	16865	17689	18261	18743	19322
213	1578	3061	4393	5565	6594	7740	9941	12617	15500	16190	16866	17691	18263	18746	19327
216	1584	3077	4395	5567	6625	7748	9942	12619	15508	16192	16867	17692	18268	18754	19328
230	1590	3080	4398	5569	6626	7755	9943	12621	15509	16194	16872	17694	18271	18755	19332
237	1597	3085	4404	5576	6647	7756	9944	12689	15512	16202	16873	17702	18272	18759	19334
304	1599	3086	4406	5585	6648	7758	10057	12763	15516	16280	16874	17703	18273	18770	19352
305	1603	3087	4413	5612	6649	7768	10058	12764	15522	16338	16875	17705	18274	18772	19361
306	1633	3088	4422	5613	6650	7769	10059	12765	15528	16339	16882	17709	18279	18775	19368
307	1636	3091	4426	5614	6652	7774	10116	12766	15536	16341	16886	17710	18280	18776	19375
308	1664	3095	4441	5615	6653	7793	10118	13003	15543	16344	16892	17723	18281	18783	19379
309	1667	3099	4444	5624	6660	7859	10119	13004	15561	16352	16894	17724	18288	18787	19381
316	1668	3100	4445	5635	6661	7860	10120	13112	15565	16363	16907	17725	18289	18794	19383
343	1695	3101	4448	5639	6663	7862	10123	13114	15572	16366	16915	17726	18295	18802	19403
346	1709	3108	4463	5641	6671	7877	10129	13120	15573	16368	16924	17730	18297	18803	19414
347	1710	3111	4480	5648	6687	7880	10137	13121	15586	16369	16948	17731	18305	18805	19416
427	1712	3123	4604	5652	6688	7881	10138	13356	15587	16370	16949	17737	18306	18818	19417
448	1719	3131	4606	5661	6690	8217	10140	13416	15589	16375	16950	17738	18308	18820	19419
451	1720	3132	4608	5665	6696	8238	10141	13434	15592	16376	16953	17739	18315	18834	19421
460	1752	3142	4645	5668	6698	8264	10144	13452	15595	16377	16957	17743	18316	18836	19428
462	1761	3143	4647	5669	6710	8265	10164	13454	15601	16378	16962	17744	18321	18837	19429
464	1765	3145	4652	5670	6711	8267	10167	13558	15608	16379	16965	17745	18326	18848	19430
473	1781	3147	4656	5682	6730	8403	10173	13559	15614	16392	16972	17747	18329	18854	19433
479	1782	3148	4660	5771	6733	8404	10174	13601	15625	16419	16973	17749	18333	18855	19436
486	1783	3150	4675	5772	6806	8406	10178	13674	15631	16424	16974	17759	18338	18865	19437
491	1784	3153	4699	5777	6807	8440	10188	13675	15639	16433	16975	17768	18348	18878	19443
493	1801	3158	4708	5778	6808	8444	10195	13996	15644	16439	16978	17776	18351	18879	19444
494	1803	3174	4713	5875	6812	8458	10196	14539	15649	16440	16987	17781	18372	18884	19447
497	1804	3183	4714	5878	6838	8464	10320	14558	15650	16441	17005	17787	18375	18885	19459
502	1814	3187	4717	5884	6840	8468	10326	14561	15652	16459	17007	17793	18376	18891	19460
506	1817	3188	4725	5894	6844	8470	10332	14568	15653	16460	17012	17795	18377	18895	19468
509	1818	3189	4726	5907	6852	8478	10346	14572	15657	16465	17015	17799	18382	18905	19474
511	1819	3197	4731	5915	6854	8481	10492	14579	15658	16466	17020	17806	18385	18907	19477
522	1821	3200	4733	5920	6860	8484	10639	14587	15659	16468	17022	17808	18393	18927	19486
527	1828	3202	4740	5924	6866	8494	10711	14588	15662	16470	17032	17811	18398	18934	19501
530	1829	3218	4766	5927	6867	8607	10712	14598	15663	16474	17033	17812	18400	18936	19504
532	1836	3255	4767	5929	6925	8649	10720	14602	15665	16476	17034	17818	18403	18946	19506
536	1839	3276	4768	5931	6926	8651	10832	14603	15668	16488	17035	17820	18405	18968	19509
575	1848	3282	4769	5938	6927	8655	10834	14604	15721	16489	17039	17821	18406	18971	19519
579	1850	3284	4771	5942	6931	8689	11070	14606	15736	16496	17041	17822	18407	18972	19522
581	1853	3286	4772	5944	6932	8868	11245	14607	15738	16497	17042	17823	18417	18974	19525
582	1857	3290	4775	5947	6948	8902	11319	14608	15739	16498	17061	17824	18431	18995	19531
583	1860	3291	4778	5948	6949	8910	11323	14609	15747	16514	17064	17847	18432	19008	19536
601	1862	3292	4786	5949	6954	8928	11331	14610	15752	16522	17069	17853	18441	19009	19540
626	1948	3297	4792	5956	6957	9026	11333	14617	15753	16527	17072	17855	18450	19010	19542
641	1949	3298	4796	5957	6971	9032	11340	14628	15754	16528	17073	17860	18451	19021	19550
658	1951	3444	4834	5960	6972	9036	11343	14630	15763	16533	17078	17862	18456	19023	19554
757	1952	3476	4835	5962	6977	9040	11345	14632	15764	16534	17079	17866	18459	19024	19559
787	1984	3479	4836	5982	6978	9044	11346	14634	15768	16535	17081	17867	18476	19025	19561
808	1989	3493	4839	5983	6979	9108	11428	14638	15770	16536	17082	17868	18482	19031	19564
810	1990	3495	4841	5984	6983	9113	11429	14639	15771	16537	17085	17880	18483	19037	19569
811	1995	3503	4843	5985	6988	9122	11430	14653	15775	16540	17089	17884	18484	19045	19571
812	2000	3507	4854	6182	6992	9124	11440	14659	15778	16559	17090	17896	18486	19050	19579
813	2023	3508	4864	6186	6994	9126	11442	14663	15789	16564	17097	17902	18493	19051	19605
824	2024	3509	4871	6187	6996	9128	11447	14664	15807	16568	17100	17907	18508	19052	19613
825	2026	3513	4876	6188	7005	9135	11451	14667	15809	16581	17136	17914	18509	19061	19623
837	2029	3516	4883	6189	7006	9137	11452	14693	15811	16582	17169	17920	18531	19062	19624
838	2033	3524	4937	6190	7011	9140	11453	14696	15812	16583	17171	17923	18532	19074	19626
840	2035	3628	4939	6192	7019	9141	11461	14699	15833	16589	17172	17929	18533	19077	19627
841	2138	3675	4941	6193	7020	9145	11462	14706	15890	16590	17173	17932	18542	19078	19638
842	2139	3676	4946	6194	7021	9149	11465	14708	15896	16593	17181	17940	18546	19079	19734
873	2158	3677	4961	6195	7022	9172	11467	14709	15897	16594	17183	17941	18548	19086	19746
874	2159	3678	4962	6207	7023	9175	11468	14713	15898	16597	17184	17944	18554	19087	19749
875	2181	3690	4963	6211	7029	9183	11478	14716	15906	16604	17188	17957	18561	19090	19750
876	2183	3703	4969	6212	7034	9186	11480	14718	15910	16606	17200	17962	18569	19097	19753
877	2190	3705	4971	6213	7048	9193	11481	14736	15918	16612	17219	17971	18570	19099	19755
878	2191	3714	4972	6214	7054	9199	11483	14772	15920	16616	17224	17972	18573	19106	19765
879	2195	3737	4987	6215	7065	9203	11484	14858	15923	16621	17225	17987	18576	19117	19767
881	2198	3748	4990	6216	7066	9210	11486	14861	15924	16630	17226	17989	18577	19136	20005
936	2203	3749	5006	6218	7081	9221	11492	14873	15931	16634	17227	17991	18578	19140	20006
938	2204	3751	5031	6219	7084	9222	11522	14875	15937	16642	17253	17995	18579	19146	20057
940	2205	3754	5032	6221	7087	9223	11523	14883	15942	16649	17257	17996	18580	19147	20060
1004	2206	3757	5033	6222	7089	9224	11524	14910	15944	16654	17273	18002	18581	19150	20073
1008	2207	3815	5038	6230	7096	9239	11554	14913	15946	16658	17274	18010	18582	19153	20076
1009	2247	3878	5041	6259	7099	9405	11581	14926	15947	16657	17279	18011	18589	19156	20077
1010	2252	3881	5075	6275	7103	9413	11582	14928	15950	16659	17287	18020	18591	19158	20081
1015	2316	3886	5102	6287	7112	9461	11584	14930	15951	16664	17289	18027	18593	19159	20090
1017	2333	3895	5105	6288	7113	9463	11591	14931	15954	16668	17376	18039	18594	19161	20091
1019	2371	3947	5168	6292	7135	9464	11593	14936	16022	16671	17384	18045	18595	19162	20092
1031	2489	3948	5177	6309	7143	9475	11594	14940	16038	16677	17387	18046	18597	19168	20096
1034	2493	3949	5178	6310	7146	9480	11598	14949	16041	16680	17389	18047	18600	19175	20101
1037	2523	3950	5179	6323	7150	9482	11600	14951	16043	16686	17390	18048	18610	19180	20103
1041	2614	3951	5181	6335	7164	9483	11602	14952	16046	16688	17408	18060	18612	19183	20105
1058	2615	3952	5195	6340	7165	9495	11605	14984	16050	16689	17412	18071	18613	19185	20112
1070	2623	3956	5203	6342	7166	9503	11607	14986	16052	16691	17443	18088	18614	19187	20114
1071	2626	3967	5204	6396	7172	9508	11623	15017	16054	16702	17445	18090	18615	19188	20115
1072	2638	3968	5205	6401	7174	9519	11630	15018	16065	16715	17451	18099	18617	19189	20119
1073	2639	3969	5225	6403	7175	9522	11634	15092	16068	16716	17452	18102	18619	19192	20123
1076	2643	3978	5237	6406	7235	9523	11739	15173	16069	16719	17455	18103	18620	19193	20124
1078	2661	3979	5261	6407	7246	9529	11750	15175	16071	16720	17462	18104	18621	19194	20125
1091	2668	3983	5264	6408	7249	9533	11755	15176	16072	16724	17467	18108	18622	19197	20126
1092	2669	3989	5266	6409	7250	9534	11760	15179	16080	16725	17469	18113	18632	19199	20127
1093	2670	4019	5269	6432	7253	9550	11761	15189	16083	16743	17471	18118	18633	19200	20156
1094	2671	4030	5276	6434	7254	9554	11764	15191	16084	16744	17473	18120	18645	19201	
1102	2687	4045	5290	6439	7271	9556	11866	15192	16085	16745	17474	18125	18649	19202	
1109	2766	4049	5292	6478	7275	9578	11870	15193	16086	16748	17483	18134	18651	19203	
1113	2773	4050	5297	6479	7287	9580	11897	15213	16087	16750	17491	18141	18653	19208	
1117	2775	4051	5303	6482	7288	9581	11918	15214	16099	16756	17494	18147	18656	19212	
1120	2785	4065	5327	6494	7290	9593	11919	15217	16100	16764	17499	18154	18658	19215	
1142	2791	4069	5365	6498	7291	9597	11921	15220	16103	16770	17504	18156	18659	19217	
1143	2797	4089	5395	6505	7297	9599	11922	15241	16111	16781	17511	18171	18662	19218	
1165	2803	4092	5397	6514	7299	9601	11924	15243	16112	16784	17529	18180	18665	19225	
1177	2813	4095	5403	6515	7300	9693	11928	15244	16119	16787	17530	18181	18666	19236	
1178	2817	4096	5409	6518	7312	9696	11930	15251	16128	16804	17536	18186	18667	19243	

The Debentures specified above are to be redeemed for the said sinking fund at the office of the Trustee, 111 Wall Street, in the Borough of Manhattan, The City of New York, State of New York, the main offices of Citibank in Amsterdam, London, Paris, Frankfurt/Main, Milan or Brussels or at the office of Kredietbank S.A. Luxembourgeoise in Luxembourg, as the Company's paying agents, and will become due and payable on February 15, 1984, at the redemption price of 100 percent of the principal amount thereof plus accrued interest on said principal amount to such date. On and after such date, interest on the said Debentures will cease to accrue.

The said Debentures should be presented and surrendered at the offices set forth in the preceding paragraph on the said date with all interest coupons maturing subsequent to the redemption date. Coupons maturing on February 15, 1984 should be detached and presented for payment in the usual manner.

For CONTINENTAL TELEPHONE INTERNATIONAL FINANCE CORPORATION

By CITIBANK, N.A.,
Trustee

January 16, 1984

Peak supply gas field deal nears completion

BY DOMINIC LAWSON

AN AGREEMENT on the development of a North Sea gas field – the South East Indefatigable – which will supply the UK only at times of peak demand is close to being concluded. It is the first time that British Gas has negotiated terms for a *peak supply gas field which it does* not itself operate.

The deal has only become possible after prolonged consultations with the Inland Revenue, and a consequent change in tax law. The Department of Energy hopes that the deal between the British Gas and the licensees, led by Shell UK, will be a model which will encourage the development of other peak production gas fields.

The deal comes at a time of anxiety about falling gas production in the UK sector of the North Sea. British Gas is currently negotiating with Statoil of Norway to buy gas from the Sleipner field.

The SE Indefatigable is in the southern North Sea, and according to brokers Scott, Goff, contains almost 500bn cubic feet of gas. The field was discovered almost 15 years ago, but it is only with the sharp increases in the price paid by British gas over the past few years that the field has become a viable

proposition for its licensees, Shell, Esso, Britoil and Allied Chemical.

Even so, the peak demand nature of the field means that the licensees will not be guaranteed regular income. They have therefore devised a new *form* of payment *in effect* a "standing charge." This will be paid by British Gas at regular intervals whether or not any gas *is* actually produced by the field.

This arrangement would have caused difficulties with the Inland Revenue, since Petroleum Revenue Tax (PRT) is levied only against actual deliveries of oil and gas.

The Inland Revenue originally proposed that PRT would be charged on gas actually delivered from SE Indefatigable at the peak, and insisted on including the standing charge, for tax purposes, in the delivered price.

The effect of intermittent, high and unforecastable tax bills was unacceptable to the licensees. The Inland Revenue then agreed last month to tax the standing charge at the time it was actually paid to the producers, thus evening out the *incidence of taxation.*

Scott, Goff estimates the capital cost of the field at £600m. This is more than twice the normal cost of developing a field of this size, and reflects the unusual problems of developing a field for short sharp bursts of production.

Although the price paid by British Gas for the gas could be in the 22p-23p per therm range typical of recent agreements with UK producers, the capacity charge will compensate the Shell consortium for the unusually high development costs.

● Britoil has made a significant gas condensate discovery on a well it has drilled in North Sea block 16/13a. The well took six months to drill and extended to a depth of 16,000 ft. Deminex, the operator, said it found an aggregate daily flow rate of 54.8m cu ft of gas and 4,072 barrels of oil.

There is a possibility that some of the field may extend into the Norwegian sector of the North Sea.

BSC in wrangle over sale of yard

By Mark Meredith

BRITISH STEEL Corporation (BSC) is at the centre of a dispute over the future of the successful RGC *offshore construction* yard in Fife, Scotland, having promised to sell its 91 per cent share to two separate buyers.

One would-be purchaser is Trafalgar House, while the other claim comes from the minority shareholders in RGC, the Scottish Development Agency and the North Sea Assets Investment Trust run by Ivory and Sime fund managers in Edinburgh.

Both sides say they have undertakings from BSC for first refusal on the majority shareholding when it decides to divest its stake as part of Government policy to sell state assets to the private sector. Protracted talks have so far failed to resolve the dispute.

Minority shareholders fear that prospects for the yard could be limited by Trafalgar, which wants to incorporate RGC with its Cleveland Redpath operation on Teesside.

RGC has 900 workers and has emerged as the healthiest of the four offshore construction yards.

Visnews advances plans for 24-hour cable TV channel

BY RAYMOND SNODDY

AN OUTLINE of what could become the first 24-hour continuous news channel for cable television in Europe has already taken shape at Visnews, the London-based international *television news agency.*

The company has produced a half hour pilot tape which it is showing to potential cable operators in the UK and Europe. By the end of this month it will have been seen by all 11 of the successful applicants for interim cable franchises in the UK and several cable operators in Germany.

The head of the cable news project, Mr Ron Onions, said: "Reaction so far has been good to enthusiastic." Visnews believed it had solved many of the cost problems by not having presenters and unashamedly providing radio news with pictures and multilingual sound tracks.

The pilot tape uses the latest news pictures delivered by satellite and advanced computer graphics for weather and financial news.

Mr Onions added: "It gives for the first time to the viewers news when they want it rather than news when the broadcaster decides to broadcast it."

The service, to be called World News Network, would be half an hour of news and features, continuously updated and retransmitted by satellite through the day and night.

Visnews still has an open mind on whether the service should be a premium one or paid for by advertising. A timeless feature would be included, which cable operators could replace with local news or advertising if they wished to.

The company is owned by the BBC, Reuters and the Canadian, Australian and New Zealand Broadcasting Corporations.

● The era of cable television in Britain begins today with the transmission of Mr Rupert Murdoch's Sky Channel to 10,000 homes in Wiltshire.

The channel, delivered by satellite to the Radio Rentals network in Swindon, is the first challenge to BBC and ITV's control over general television entertainment.

It is also the first time that Mr Murdoch's cable company, Satellite TV, which has been sending its programmes to systems in Norway, Finland, Malta and Switzerland since 1982, has been able to deliver its signal to UK viewers.

Busiest year forecast for onshore drilling

BY RICHARD JOHNS

A RECORD level of drilling for oil and gas onshore in the UK with 62 exploration and development wells planned, is forecast in a survey by Petroleum Information, the research information service.

Last year, however, performance fell far short of expectations. The number of wells started was 22, compared with more than 40 budgeted for.

"Possible reasons for this reduction in activity are the continued snail's pace of the planning authorities in approving well locations and local groups who object to drilling for no valid reason;" the survey says.

It also suggested that some operators were not as "aggressive" onshore as they were offshore.

With this proviso, it appeared that 1984 would be a "bumper year" for drilling onshore the survey added. Heightened interest was reflected by the fact that 1983 saw a record number of licences issued by the Department of Energy – 63 covering a total area of 16,000 square kilometres.

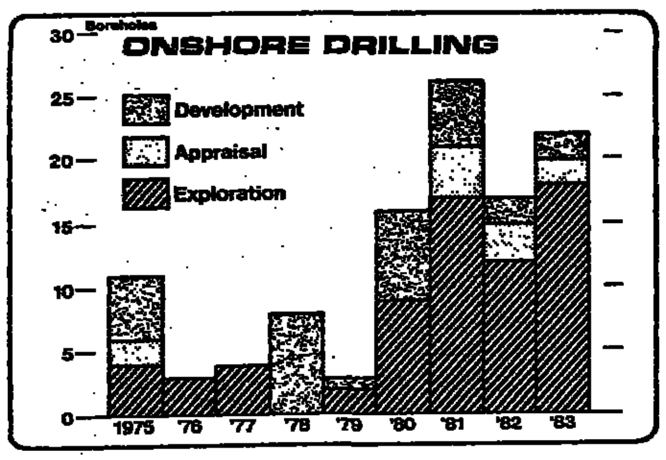
The number of operators increased 10 per cent and the area under licence 9.3 per cent.

Petroleum Information also predicted a good year for drilling contractors, not least because relatively few rigs could drill deeper than 6,000 feet. Seismic surveys planned, meanwhile, covered an area of 3,500 square kilometres.

British Petroleum had by far the biggest programme in prospect with 22 exploration and appraisal wells planned. In addition, there was the possibility of development drilling by BP at Wytch Farm, Dorset, the biggest onshore producing field.

Second most active should be Carless Capel and Leonard, which planned 10 wells – five exploration and five appraisal. In addition, it hoped to receive approval for developing the Humbly Grove oilfield, near Basingstoke, Hampshire.

Onshore activity Report 1983-84: United Kingdom and Ireland. Available from Petroleum Information Norman House 105-109, Stand, London WC2. Price £15.



Thatcher tax cut hint

BY IVOR OWEN

HOPES OF further cuts in income tax during the lifetime of the present parliament were raised yesterday by Mrs Margaret Thatcher, the Prime Minister.

But in an interview on independent television she declined to give a pledge that a commitment to cut the overall tax burden – a central feature of her 1979 election campaign – would be honoured before the next general election.

Mrs Thatcher, who described herself as naturally cautious, refused to go beyond saying: "I shall strain to make certain that is so."

She emphasised a need to be realistic in setting target dates for the attainment of policy objectives and said that some factors were not within the control of any government.

She cited what she termed "the second world recession," as an example of this when explaining why it had not been possible to honour another 1979 campaign commitment – to get public expenditure, as a proportion of the gross domestic product, below that achieved by the last Labour government.

TECHNOLOGY

EDITED BY ALAN CANE

30,000 TEST TUBE SEEDLINGS GROW IN THE DERBYSHIRE WILDERNESS

Longnor's garden centre without soil

BY PETER MARSH

THE AGRICULTURAL wilderness of Derbyshire's Peak District is the unusual home of a new type of "garden centre" in which plants are grown in test tubes.

Set 300 metres above sea level and surrounded by windswept moors is a small laboratory run by two scientific entrepreneurs, Mr Martin Stokes and Mr Ashok Ranchhod.

Last April the pair set up a company, Microplants, to produce seedlings with the technology of tissue culture.

The two men chose the isolated village of Longnor as the site of their laboratory. The enterprise attracted EEC funds aimed at enticing light industry to set up in rural areas.

Mr Stokes, a botanist aged 36, and Mr Ranchhod, a 35-year-old geochemist, are growing in their tiny workshop about 30,000 plants, none of them taller than a couple of centimetres and some little bigger than a pin prick.

The seedlings, which gain nutrition not from soil but from a specially prepared chemical cocktail, are packed into racks inside a couple of disused shipping containers in which temperature and humidity are carefully controlled.

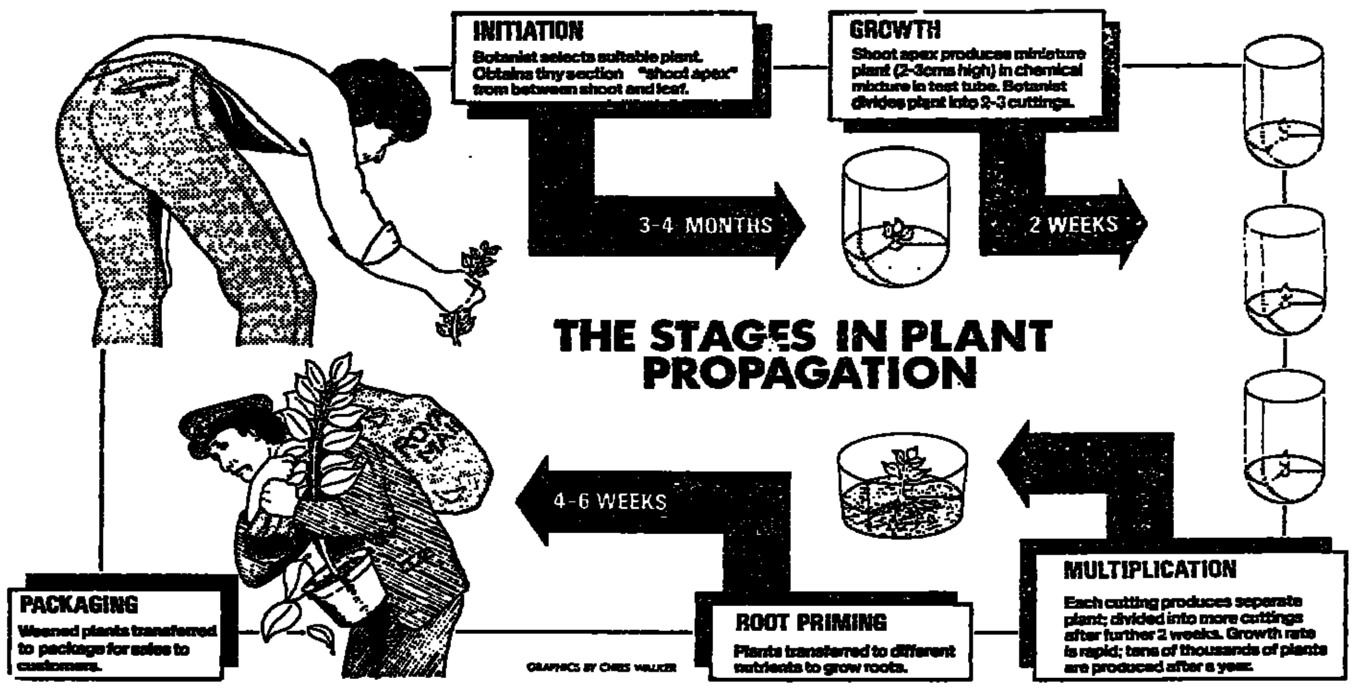
The plants grow in their own sealed and sterile "test tubes"—more accurately, small containers used in the pharmaceuticals industry.

Mr Stokes and Mr Ranchhod aim to sell this year 200,000 individual seedlings, at an average price of 15p. Nurseries and professional garden centres will buy most of the products.

The scientific duo also hopes to break new ground in the tissue-culture industry by selling plants directly to the public through mail order. In the next few weeks, with a series of adverts in a gardening magazine, Microplants will invite people to buy an unusual breed of primula which is difficult to propagate with conventional methods.

In total, the company plans to sell 200 different varieties of seedlings, ranging from exotic flowers such as orchids to herbaceous plants, trees and roses. The company is even working on test-tube forms of asparagus, potato and kiwi fruit.

Botanical tissue-culture offers gardeners an alternative to the traditional way of propagating plants. In this, growers take a cutting from a specimen and rear this in soil.



But for some shoots this can be difficult or lengthy. With tissue culture, on the other hand, a single specimen can produce 10,000 identical plants within a year to 18 months.

What is more, Mr Stokes says, tissue culture guarantees that each plant clone takes on the same characteristics as the parent culture. In this way, gardeners can be sure that they are rearing healthy, fast-growing specimens.

> A huge bank of identical plants is produced in little more than a year

In agricultural tissue-culture, a worker dissects the parent plant to obtain a tiny portion of tissue from between the shoot and a leaf.

After impregnation in a chemical medium, this produces within about three months a tiny specimen a couple of centimetres high. This plant can then be split into three or four individual seedlings.

After this, propagation is quick, with each culture producing a new set of clones within a fortnight. At this rate, a huge bank of identical plants is produced in little more than a year.

According to Mr Stokes, there are four main areas of difficulty. First, the original plant must be selected so that it has characteristics such that clones from it can be sold in their tens of thousands.

Workers must also choose the correct blend of nutrients for the plants. This may be complex because the mixture can contain up to 30 different chemicals.

Third, growing conditions must be carefully supervised. The plants have to be tended in standards of cleanliness similar to those inside microchip factories.

A few bacteria can produce spores that ruin months of work.

"There is a certain amount of 'green finger' technique," says Mr Stokes. "You have to look at a seedling, spot that something is wrong and then change the temperature or the concentration of chemicals in the nutrient."

The final problem is to harden the plant so that it can survive once it has left the cloistered environment of the test tube. Microplants is building a special weaning room in which conditions are gradually adjusted to those that the seedlings will experience outside the laboratory.

> One of Microplants's biggest products will be roses, simply because the market for these plants is so large

Mr Stokes thinks that one of Microplants's biggest products will be roses, simply because the market for these plants is so large—people in Britain buy 30m roses a year.

He is also anxious to experiment in unusual areas of botany, producing test-tube plants that other tissue-culture laboratories have not tried to grow.

Microplants, which has just three full-time employees, has a long way to go before it rivals the European leader in plant tissue-culture. This is Twyford Plant Laboratories in Glastonbury, Somerset, which last year sold 5.5m plants raised from tissue culture, worth about £1m.

Twyford, owned by a consortium of British and American investors, has recently increased its capacity to 12m plants a year.

Each year nurseries in Western Europe buy £10m to £15m worth of plants grown with tissue culture. The biggest activity is outside Britain.

In the UK, professional growers have been slow to experiment with tissue culture. Some 90 per cent of Twyford's products are exported.

Twyford's operations are growing as a result of an injection last month of £2.5m from its British and American investors.

The company will double its research budget to spend some £500,000 on cellular biology and micropropagation over the next two years.

As part of the growth plan, Twyford is building a new laboratory in California.

Twyford's research programme is led by Dr Ken Giles, who joined the company last June after eight years with the Worcester Polytechnic Institute of Boston.

SEMICONDUCTOR FABRICATION

Making masks for the chip business

BRITAIN IS becoming the European centre of a fast-moving technological industry that serves semiconductor businesses.

In the next couple of months, two new companies will start work in making masks for semiconductor chips.

Masks are essential tools in the electronics industry. They are small glass plates that define the densely woven pattern of lines printed on to semiconductor wafers.

The two newcomers, IC Masks of Warwick and SAC Technology of Bristol, brings to three the number of independent mask manufacturers in Britain.

They join Compugraphics International of Glenrothes, Scotland, which has made masks since 1970.

The only other independent mask maker in Western Europe is a French company called Nanomask, based near Aix-en-Provence.

Yet another company, Align-Rite of California, plans to start a mask-making plant in Bridgend, South Wales.

Semiconductor companies generally have their own masking shops. These produce glass plates for specific production runs of semiconductor wafers.

But the chip industry supplements its own efforts by buying masks from outsiders. In the U.S. there are several dozen such companies, which take on a role similar to jobbing printers in the publishing industry.

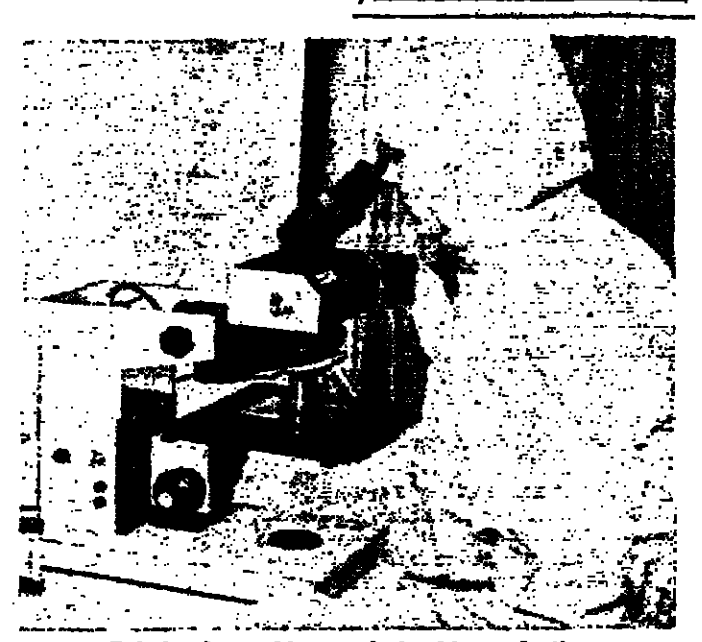
In recent years, chip production in Britain has increased, as a result of the efforts both of UK and foreign companies.

Until now, Compugraphics has dominated the independent mask-making business in Western Europe, taking an estimated 60 per cent of total annual sales of £4m. Compugraphics has shared this market with U.S. mask manufacturers which export to Europe.

In the past year, sales of the Scottish company have increased by 20 per cent.

The biggest competition to Compugraphics will come probably from IC Masks, which is owned jointly by the chemical giant ICI and TRE Semiductor of California. The two shareholders are putting £2.9m into the new company.

IC Masks will break new ground by using laser beams to write the lines on its masks. The laser machines, under development by TRE, steer light onto a blank glass plate under computer control.


Britain plays a bigger role in chip production.

A coating of chemical resist registers where the light has fallen, so defining the network of lines that the manufacturer wants to print onto the mask.

With the machines, says Mr Rick La France of IC Masks, patterns with a resolution of 2.5 micrometers will be possible. The patterns on these plates, called reticles, then have to be scaled down by a lens system to produce the finished masks, in which the distance between adjacent lines may be as little as 1 micrometre.

The laser machines will rival the most advanced hardware used in mask-making that inscribe lines with a beam of electrons. The principle is exactly the same, but for the fact that electron-beam machines can cut out the reticle stage because they provide higher resolution.

The main advantage of laser machines is their relative cheapness, at less than £1m, compared with about £2m for electron-beam hardware. Also they will work with simpler resists.

Mr Graham Bowen, managing director of Compugraphics, says that mask makers have still to prove that laser beams will do the job. "Electron beams are fast, and they work," he says.

With its electron-beam hardware, Compugraphics recently made a mask in which line widths are as little as 0.25 micrometres. To produce a mask about 10 cm square (which will later be used to make several hundred chips at a time) takes only about 15 minutes.

SAC Technology, the other new entrant to mask-making, is spending about £1m on the new venture. The company will make masks with conventional optical equipment. Such hardware transfers patterns to a plate by flooding with light small sections of the glass in as many as half a million different projections.

Although such machines are relatively cheap at around £300,000, the number of different steps makes them very slow. So to make just one mask can take about 40 hours, too long for the needs of some customers.

SAC Technology is moving into the mask production business from a base in engineering design. The company will run the mask-making enterprise in a new 1,000 sq metre factory.

This part of the group's activities should eventually employ 30 people.

P.M.

Business courses

Employment Law—An Update, Corby. February 7, 1984. Fee: BIM Members £103.50; non-members £120.75. Details from Conference Department, BIM, Management House, Cottingham Road, Corby, Northants NN17 1TT. Tel: 05363 4222.

The fundamentals of finance and accounting for non-financial managers, Brussels. February 20-24. Fee: Members (AMA/I) BFr 54,000: non-members BFr 60,000. Details from Management Centre Europe, Avenue des Arts 4, B-1040 Brussels, Tel 02 219.03 90. Telex 21 917.

Applying decision technology, Brunel. February 16-17. Fee: £265. Details from The Secretary, Management Programme, Brunel University, Uxbridge, Middlesex UB8 3PH. Tel 0895 56461.

The City and Europe—a ten year appraisal. London. February 27-28. Fee: £425 + VAT. Details from Financial Times Conference Organisation, Minster House, Arthur Street, London EC4R 9AX. Tel 01-621 1355. Telex: 27347 FTCONF G.

Accounting for managers, Henley. March 5-9. Fee: £710 + VAT. Details from the Registrar, Henley—The Management College, Greenlands, Henley-on-Thames, Oxon RG9 3AU. Tel: 049-111-454. Telex: 849026 HENLEY G.

Forecasting for technological decisions—A practical workshop, Buckingham. February 20-22. Fee: £330 + VAT (£230 + VAT for the second and subsequent nominations from the same organisation). Details from Brian Twiss, Course Director, IMCB, The International Management Centre from Buckingham, Northern Office, 198-200 Keighley Road, Bradford BD9 4JQ. Tel: 0274 499821. Telex 51317.

The influential manager, Corby. February 15-16. Fee: BIM members £218.50; Non-members £241.50. Details from Conference Department, BIM, Management House, Cottingham Road, Corby, Northants N17 1TT. Tel: 053663 4222.

Cable television and satellite broadcasting. London. February 28-29. Fee: £405 + VAT. Details from Financial Times Conference Organisation, Minster House, Arthur Street, London EC4R 9AX. Tel: 01-621 1355. Telex: 27347 FTCONF G.

Managing after-sales service: improve the effectiveness and profitability of your field service, Brussels. February 20-24. Fee: Non-members BFr 60,000; members (AMA/I) BFr 54,000. Details from Management Centre Europe, Avenue des Arts 4, B-1040, Brussels. Tel: 02 219 03 90. Telex: 21 917.

Samuel Montagu on the rebound

David Lascelles charts the re-emergence into the big league of one of London's older merchant banks

WHEN MIDLAND BANK sold a 40 per cent chunk of Samuel Montagu, its merchant bank subsidiary, to Aetna Life and Casualty of the U.S. in September 1982, it seemed to be getting the best of a distinctly lop-sided deal.

The price, £66m, was fancy given Montagu's not specially brilliant reputation, and Aetna seemed hard put to come up with a good reason for parting with the money beyond expressing a vague interest in international finance.

But today, things are beginning to look rather different.

Far from trundling along the narrow furrow it had ploughed for years, Montagu has suddenly become one of the livelier figures on the London banking scene, clinching eye-catching deals and popping up in all sorts of new places.

Aetna's investment is beginning to look quite shrewd. As for Midland, it seems to have parted with a bit of a choice asset just as another big subsidiary, Crocker National Bank, has landed it with a basketful of problems, including large loan losses.

Reputations constantly come and go in the volatile world of London merchant banking, of course. And if Montagu's star is on the rise, it will not be the first to re-emerge from obscurity. Hill Samuel, for example, is doing a valiant job of restoring a tarnished reputation.

But Montagu's story is striking for a number of reasons. For one thing, the rebound has been quite rapid. Only a couple of years ago, the 134-year-old bank was considered to be eminent but unexciting, known for little more than its limited speciality: bullion trading.

For another, it has been hard to miss. Coups like the appointment of Barbara Thomas, the eye-catching former SEC Commissioner from the U.S., as its first woman executive director have earned it plenty of space in the financial press. And for those who feel there may be more glamour than substance to it all, there was the £500m Euroloan which Montagu arranged for Sweden last autumn: a rather esoteric achievement to the layman, perhaps, but the loan was hailed as one of the Euro-deals of 1983.

But the most interesting aspect to the turnaround at Montagu may well be its efforts to become a major player in all the world's big financial markets. At a time when most London merchant banks are striving to match the giant investment banks of Wall Street with their tremendous dealing operations and global reach, Montagu seems to have a clearer idea than most how to go about it. What's more, through its two parents, it has the muscle to give the task a harder crack.

"We want to get Montagu into the ultra-bank league," says Staffan Gadd, the 49-year-old chairman and driving force behind the changes.

A silver-haired mild-mannered Swede, who has never quite lost his Scandinavian lilt despite many years on the London banking scene, Gadd is not the epitome of a hard-driving bank boss. But those who know him well laud his clear thinking, determination and ability to inspire others though some call him a bit humourless and cold. He came to Montagu in 1980 from Scandinavian Bank, the London-based consortium bank, where he had made his name.

To Gadd, the "ultra-bank" means more than just building up Montagu's traditional merchant banking businesses: corporate finance, advisory services, dealing and investment management—though all are being boosted.

The distinguishing mark, he maintains, is being able to handle a client's needs in as broad a range of financial markets as possible: issuing new securities and finding investors to buy them, making markets and generally being recognised as a big and credible player. It's a risky strategy in the huge and volatile Euromarkets where millions can be made and lost in a moment, but Gadd describes it as "calculated" and says Montagu, with its dealing traditions, has never been averse to risk.

To achieve his goals, Gadd has been advancing on three fronts at once: developing the business, expanding Montagu's geographical reach, and hiring the people of a calibre to put his plan into practice.

The last job was probably the least difficult, though the costliest. ("In this business you invest mostly in people." he says.) He persuaded Derek Hughes, a colleague at Scandinavian Bank, to join him as director of banking and finance, and succeeded in wooing David Potter, a leading light in the Eurobond market, from Credit Suisse First Boston to build up the international capital markets division, which is in many ways the keystone of his strategy. Altogether he has hired about 150. This brings the total to over 1,000, though the bank is managed by the small group of people which Gadd has put in charge of the different divisions.

Geographically, Gadd is advancing in three directions, Europe, the Far East and the U.S. Using his native connections, he has made Montagu the only foreign bank with a direct presence in Sweden, where it is now advising the Government on denationalisation and, of course, looking for more Euroloan and Swedish corporate business. But the big thrust is in the Far East and North America.

Gadd has just opened a representative office in Tokyo, adding to offices in South Korea, Singapore, Hong Kong and Australia, and giving Montagu one of the strongest UK merchant banking presences in the Asia Pacific region.

Since last year, Montagu also has a good line into the U.S. market through its new half-parent, Aetna.

Like all insurance companies, Potter says, Aetna is hungry for assets, and a good customer for bonds and other securities arising from Montagu's fast-growing international underwriting and placement business—though he insists that Aetna is not a captive client.

Aetna also provides access to subsidiaries like Geosource, the oil exploration company, and Urban Development, the property company, which needs financial services and investment for real estate projects. Last May, Aetna and Montagu set up a joint fund management company to draw on Aetna's pulling power in the pensions business, and on Montagu's international investment expertise.

On the trading side, Montagu has set up a licensed broker-dealer on Wall Street and made a joint marketing agreement with William Pollock, one of the three dozen dealers in U.S. government securities recognised by the Federal Reserve. But though Montagu thus has good access to U.S. markets, it cannot engage directly in underwriting securities, which is a major handicap given its ambitions in corporate finance. This is because its continued ownership by Midland Bank makes it, under the Glass-Steagall Act, a commercial bank barred from the investment banking business in the U.S.

To get round this, Montagu might try to forge a joint venture with a Wall Street investment bank, along the lines of Credit Suisse First Boston. Alternatively, present U.S. law would allow it to own just under 25 per cent of a U.S. investment bank.

"We have developed every side of this business," says Gadd. But though that implies a blanket approach, Montagu has actually been fairly selective. It clinched the Swedish Euro-loan deal, for example, by spending a whole year watching for an opportunity in the—then—rather obscure Euro-sterling market.

But it chose its moment brilliantly and was able to double the original deal from £250m because banks had plenty of sterling but no good names to lend to. Montagu has also made a speciality of the bulldog bond market (the UK bond market for foreign borrowers) and the highly popular international market for floating rate notes.

The bank also trades in its traditional precious metals, money and foreign exchange markets. It is in the process of going into shipping with its acquisition of Galbraith Wrightson, the shipping brokers.

Slower to evolve is the corporate finance side where Montagu is short on big name clients. "I don't think the market has seen the changes here yet," says Gadd, who believes Montagu will be able to break into the big league through its strength on the international side.

But if Montagu wants to become a major force in the international securities markets, that means equities as well as bonds, and is still weak in this area. Although Montagu owns stockbrokers in Sweden and Australia, Gadd wants to build up an international business: which raises the question of whether he plans to join the rush for a stake in a UK stockbroker as deregulation of the London Stock Exchange proceeds. No negotiations are going on at the moment, he says, but adds that Montagu might build up an equities business internally. The £35m loan it recently raised was part of a capital reorganisation and was not intended to finance an acquisition, as some people speculated.

Unlike some merchant banks, Montagu does not suffer from tight financial constraints. As part of the Aetna-Midland deal, the parents agreed to invest £40m, only £10m of which has so far been spent. Given that Montagu's total share capital and disclosed reserves amounted to just over £80m at end-1982, this represents a huge potential boost for resources which is the envy of Gadd's competitors, and makes a major acquisition by Montagu highly likely.

Montagu's owners obviously have few grounds for complaint, and they appear to be giving Gadd as free a hand as possible. In fact, they had to give an assurance that effective control of Montagu lay with its management in order to preserve its membership of the exclusive Accepting Houses Committee, the London merchant banks' trade association. Normally, a member would have to resign if it was acquired by a clearing bank or a foreign owner, and Montagu now fails on both counts.

The rub in Montagu's otherwise heart-warming story is that it is a gamble which could still fail.

Although Montagu's disclosed profits have risen sharply (up a third to £8m in 1982 and "up very well" last year according to Gadd) these indicate a trend rather than actual levels. And it is clear that Gadd's heavy spending has cut into profitability, albeit in the hopes of future growth, which means its owners will be looking for the pay-off.

There is also something experimental about Gadd's strategy. Although international financial dealing is all the rage and other banks like S. G. Warburg are spending a lot of money to develop it, this is not a guarantee that London merchant banks will be a match for Wall Street firms several times their size. Montagu can now claim to be second only to Warburg among the UK banks for Eurobond deals, but it does not even figure in the top 20 when big players from the U.S., Germany and Japan are included.

Gadd concedes that "it's not going to happen in five minutes," but as a rival says, "it's a gamble and his head is on the block."

BARBARA THOMAS may not fit everyone's idea of a merchant banker, but she was out of the ordinary even before she was appointed an executive director of Samuel Montagu last year.

A 37-year-old American, she is a successful corporate lawyer, a mother, an expert on international financial markets, and a former Commissioner of the Securities and Exchange Commission, the U.S. stock markets watchdog.

But the puzzling question is not how she manages all this without putting a hair out of place, but why she turned down several juicy jobs in the U.S. when she resigned from the SEC last autumn, and joined Samuel Montagu.

"Because Montagu is a shooting star," she replies.

Gadd pursued Thomas at last September's IMF meeting in Washington and managed to persuade her that life in his bank would be much more rewarding than with a well-established firm on Wall Street. Her role is to expand and enhance international business particularly in the Far East and the U.S. She will have offices in Hong Kong and New York.

"Gadd is a thinker, a forward-looking guy, and an excellent leader. He's the key to my being here," she says. The fact that Gadd wanted her to be in the Far East also suited her because her husband, also a lawyer, was transferring to Hong Kong.

As for Gadd, he sees in Thomas a "deals-oriented type of person" who will bring business to Montagu through her excellent U.S. connections and knowledge of the marketplace. Whether she will sniff out and clinch the deals Gadd wants remains to be seen, but it proves that the new-style Montagu can make people sit up and take note.

Staffan Gadd and Barbara Thomas *Roger Taylor*

THE ARTS

Architecture

Colin Amery

Eccentricity in perspective

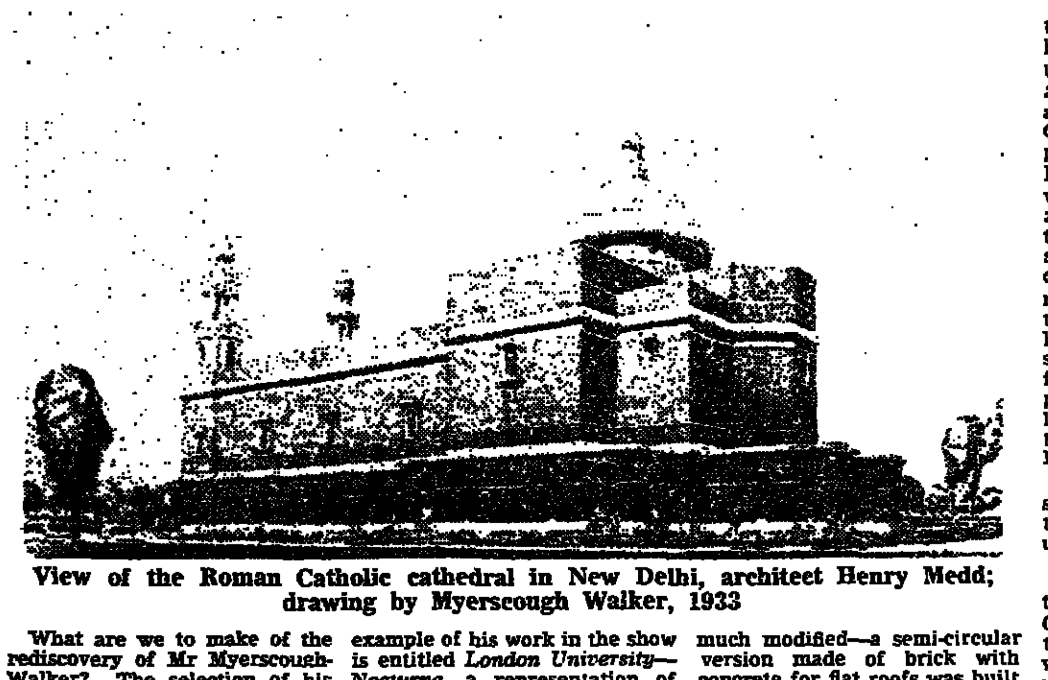
It was in 1936 that Raymond Myerscough-Walker described the architecture room at the Royal Academy as, "the most nauseating display of thin-blooded intelligence that man could well devise." He was describing the kind of architecture then favoured by the Academicians, most of it mildly traditional and untouched by the rigours of the Modern Movement.

Myerscough-Walker should have known what he was talking about because although trained as an architect he was diven by economic necessity to take up the profession of architectural perspectivist. He was very talented and the finest examples of his work show how an artist of integrity can illuminate the finest new structures and elevate the most mundane.

At the Architectural Association (34-36, Bedford Square, London, WC1, from January 18 until February 11) there is an exhibition of the work of this totally forgotten architectural artist. He is in fact alive and well, living in his caravan in Sussex and busily engaged in painting abstracts. He has been discovered again for our interest and pleasure by Gavin Stamp, the writer and historian with a penchant for the eccentrics of the 1930's.

Both Stamp and Myerscough-Walker, and indeed the Architectural Association itself, represents both the peculiarity and the richness of the English architectural scene. Where else would you find on display at the same time, the work of a neglected 75-year-old draughtsman, the work of a currently popular Greek house designer, and the geometrical concrete achievements of one Mario Botta — an architect practising in the cultural hinterland between his native Switzerland and northern Italy?

The great joy of the Architectural Association and the tolerance of its audience makes it one of the best centres for the architectural debate in the world. New York cannot rival the atmosphere in London of *laissez-faire*, and Paris cannot resist trend-mongering — the problem of where the real creative power af architecture is to be found, however, remains unanswered.



View of the Roman Catholic cathedral in New Delhi, architeet Henry Medd; drawing by Myerscough Walker, 1933

What are we to make of the rediscovery of Mr Myerscough-Walker? The selection of his perspectives at the AA show clearly that he had a great gift for the accurate three-dimensional representation of architecture which he combined with strong colour and an enthusiasm for the dark cloudy skies that dramatised the often uninspiring subject matter.

Clearly he was influenced by artists like Graham Sutherland and the Surrealists and once he had abandoned the perspective as a way of earning his living his paintings show, even today, a period understanding of the language of abstraction. He was able to present to the public a new building, using just plans and elevations, before it was erected. He could master the Lutyens Classical style, as in the New Delhi cathedral by Henry Medd as easily as the *moderne* manner for Howard Robertson. The best example of his work in the show is entitled *London University—Nocturne*, a representation of Charles Holden's Senate House seen dramatically lit and shadowed on a winter night.

The perspective has never really been trusted as a way of showing architecture. It is both too seductive and too unreliable except in the hands of the masters. There is no doubt it is difficult to do well and at the same time easy for it to flatter basically indifferent designs. Because of its unreliable reputation, many architectural practices have failed to keep the perspectives of the past, the result is that this is not a *really* representative show either of the man or the period.

Myerscough-Walker also designed some modest creations, the best of which is a circular house with floors cantilevered out from a central core in ferro-conrete. Although the built version of this design was much modified—a semi-circular version made of brick with concrete for flat roofs was built in 1937—it is still inhabited by the original client who says that it is a joy to live in.

Today, this reclusive artist is working on what he calls *Age IV—England:* an unpublished work which explores the idea that the current *(third) age of civilisation is* drawing to an end with its reliance on the Renaissance ideas of space and the future age will be one of space-time —where the parabola and the conic-section will replace the right-angle.

The parallel exhibition at the AA is of Mario Botta's nine houses built over the past 10 years. Because he works on the edge of Switzerland close to northern Italy some critics have seen in his work a mingling of the architectural traditions of rationalism and regionalism. I think his work shows something much less pretentious, an ability to transform the simple forms of the cube and the square into ingenious houses built of cheap materials. Clearly influenced by the ideas of the great American architect Louis Khan, he has been fortunate in the opportunities he has been given to build so many houses.

The work of thet Greek architect Nicos Valsamakis shows how a sensitive architect can utilise the lessons of his time *and then build in a way that is* appropriate for his region. His Greek houses, simple and well-planned cubist essays, use the International Modern style in a way that suits both the climate and the surroundings. To contemplate one of his light and sunny villas shows how the cubist developments of modernism do have a place in the sun — they look so much less at home on these damp shores. His most recent design for the Hotel Amalia at Nafplion (1980) shows a worry lapse into post-modernism, as though he has lost his nerve — I hope this is not the case.

All three exhibitions are stimulating and are on show at the Architectural Association until February 11.

* * *

Two conservation issues mentioned in this column in 1983, Calke Abbey and The Salutation, are still progressing. A working *party has been set up* under the chairmanship of Brian Lang of the National Heritage Memorial Fund to try to save Calke.

It looks increasingly likely that the house, park and contents will be transferred to the National Trust with the need to fund repairs totalling £3m and an endowment of £4m. A public appeal for some of these funds looks likely, although the strict interpretation of "Heritage land" looks as though it will have to be modified by the working party to ensure that more land can be accepted by the Treasury *in lieu*. The Salutation, Lutyens's immaculately-preserved house in Sandwich, Kent is back on the open market. Permission to develop the garden has rightly been refused—all that is needed is a sympathetic purchaser with £500,000 or so—which is nothing for a masterpiece.

Haydn & Schumann/Barbican Hall

Dominic Gill

The penultimate concert on Friday night of the BBC's wildly and uneven Haydn and Schumann series was devoted entirely to Schumann. Martyn Hill sang two song cycles, and the Lindsay Quartet played the last of the three string quartets.

Martyn Hill's is a voice I have often admired in oratorio and orchestral concerts, unusually cultivated, well-schooled and well-tuned, projected with impressive ease and clarity. The gap between that role, though, and a fine Lieder singer is very large; and as an interpreter of great Lied especially, as distinct from a mere deliverer, he has some way still to go. The intention was certainly quite otherwise: but his delivery of the nine songe of *Liederkreis* and the 16 of *Dichterliebe* had a devastating sameness of tone-*colour, phrasing, and generally* of approach.

This was a weakness most powerfully revealed by such songs as "Ich wandelte under den Bäumen," or "Ich hab' in Traum geweinet" from *Dichterliebe*, which rely on constant and subtle modulation of phrase-length, texture and emphasis for their effect. Even the wilder contrasts of songs like "Schöne Wiege" (*Liederkreis*) were smoothed away by such an unrelentingly genial and cultivated manner. At the biggest dramatic moments of "Warte, warte" *(Liederkreis)* or "Ich grolle nicht" *(Dichterliebe)* the scale of the voice didn't really match the scale of the music: more effortful than heroically impassioned. *His piano accompanist John* Constable was decent but dull, unexceptionable, unexceptional.

It would somehow have made better sense if during the "festival" week we had heard all three of Schumann's rarely played string quartets. As it was, we made do with the first and the last, which was a pity (since the andante of the second in F major is arguably the most beautiful slow movement of all). As string quartets, all three are indeed curiously distanced from their medium: music for string quartet rather than string-quartet music—yet buoyant with ideas of astonish*ing freshness and power.*

I don't believe I have ver heard really satisfying performances of any of the Schumann quartets, that capture both the quirkiness and the sustained current of passion in the music. In the A major no. 3, the Lindsay sometimes seemed unsure where the climaxes lay or which voice was the more significant.

*

Also part of the Haydn/Schumann Series was Friday's lunchtime concert, Haydn's *Theresienmesse* with Roger Norrington conducting the BBC Symphony and Singers, and the same quartet of soloists as for Wednesday's *Mariazellermesse*—Lillian Watson, Ameral Gunson, Glenn Winslade and Michael George. The performance was clean-limbed, unlingering and effective.

The St Theresa Mass requires only a modest orchestra. Norrington divided his violins properly between left and right, and centrally-placed trios of cellos and basses carried their just weight. Some lively string *counterpoint faded none the less* against tsorng, well-balanced work by the BBC Singers. The substance of this Mass rests with the chorus, and they delivered it with crisp conviction. The soloists struck a happy balance: individual enough to be interesting, not so vivid as to inflate the fairly modest roles Haydn allotted them.

Norrington didn't dwell upon theatrical points in the sequence ("Et sepultus," for example, wasn't sombrely freighted), but it was musically alert and compelling. One wishes that the BBC might continue the series; any Haydn Mass makes an inspiriting midday experience, with Haydn's habit of welcoming a grace already assured, rather than pleading for it.

DAVID MURRAY

Moby Dick/Royal Exchange, Manchester

Michael Coveney

All reports so far have been discreetly quiet about how director Michael Elliott conjures the white whale in the final moments of his own adaptation at the Royal Exchange. And, with two weeks of the run remaining, I will not spoil the surprise for future customers. Suffice it to say that the effect is one of the most satisfying and remarkable I have witnessed in a theatre. *Above all, it completes the* physical comprehensiveness with which Melville's discursive, exciting and metaphysical leviathan of a novel has been transposed to this particular arena.

"Call me Ishmael" begins the wide-eyed, diligently communicative narrator of Nigel Terry, and the theatre is already awash with noises. The encounter with Queequeg, the shared bed, the chapel service (Philip Madoc's sermon is delivered from a bowsprit pulpit), the preparations at the Nantucket wharfside — all are bathed in an eerie score of creaks, sighs and lapping waves. And then the theatre is, quite literally, rigged for action. Masts, spars, rigging, the captain's cabin and the quarter deck are magicked *from the void and we are all of* us, it seems, enlisted on the good ship Pequod.

When Orson Welles adapted, directed and starred in his 1955 stage version, Tynan thought it the greatest spectacle in London since the Great Fire. This Manchester effort is indeed spectacular and, at three and a half hours, generously long. It is sensitively and cleverly organised. The deployment of sound effects, taking full advantage of this theatre's echoing acoustic and merging imperceptibly with Gordon Crosse's marvellous score, is as adroit as the way Mr Elliott fillets Melville to give us, if you like, an in-depth distillation.

Thus we see the blubber burning in the ovens; Captain *Ahab ordering a new ivory leg* and forging his own harpoo; the bustle and frenzy when a sighting is made is excitingly done with exotic Indians and mates clambering to the full height of the roof; only one whale killed en route to the Pacific; only one other whaler hailed by the Rachel.

But something is missing. Some of the cast, despite the drilled movement and neatly executed ensemble work — I particularly like the lowering of the whale boats on a placid, sun-baked sea with actors giving chase by propelling themselves across the stage on their *bottoms — seem to be smitten* with lassitude. This may derive from the fact that Brian Cox, fine actor though he be, does not generate much in the way of demonism or monomania.

When Mr Cox contemplates the fate of the hunted sperm whale or recalls with Starbuck (John Cording) those Nantucket blue skies just before the catastrophe, he is no less than compelling but in a rage, this Ahab's voice dwindles to a strangulated screech and implies not so much granduer at petulance. Fidgeting over his charts and maps he exudes sea-dog eccentricity rather than *rumbling madness.*

One or two senior players—Esmond Knight and P. G. Stephens—are curiously lacklustre but one of the adaptation's deftest strokes, the elaboration of the cabin boy Pip's madness after "losing himself" in a frightened leap into the drink, affords a good opportunity to that fine young black actor Gary Beadle. Terence Wilton, tattooed and top-knotted, is a sonorously dignified Queequeg, Tim Healey a ch eerfully rubicund pipe-smoking Mr Stubb.

Brian Cox and Nigel Terry

The Turn of the Screw/Coliseum

Max Loppert

At the centre of Britten's masterpiece, the moment that seems to touch to its very core, comes the sound of the celesta stealing over an empty stage, and then the first offstage phrases of Peter Quint, those gradually exfoliating melismata curling around the single word "Miles!" At such a point, more than almost any other, one was able to focus on both the high quality of Saturday's revival by the English National Opera and also the features of Jonathan Miller's production that prove slightly troubling on fresh encounter.

For the new Quint was Philip Langridge, a tenor with considerable concert-hall experience of Renaissance and Baroque music who is also a *strong, sensitive singing actor*; because he was able to release each invocation with a wealth of controlled agility and carefully varied colour-shading, Britten's marvellously perceptive re-introduction into 20th-century opera of vocal coloratura for dramatically expressive means was made an experience of rare thrill—at once solemn, insinuating, and nocturnally seductive. But then, too soon through his "I am all things and bold," Quint appeared upon *an upper balcony of Patrick* Robertson's set, to become a "real"—too real—character; and some of the elemental frisson was immediately diminished.

The 1979 production (rehearsed by Miller himself) remains a brilliant way of playing a chamber opera in London's biggest theatre; and on current showing, with Lionel Friend and the 13-man orchestra discovering a splendid new freedom in projecting the score across the *spaces, with a cast admirably* strong in most important particulars, it is obviously an inspiration to all its participants. But there is loss in the achievement as well as gain — the openness of the set and the increased visibility of the ghosts may permit a powerfully dramatic impression of opposed forces gathering to wage war for the children's souls, but at the same time both features help to sacrifice something of the opera's peculiarly claustrophobic atmosphere.

If that is so, the excellence of the current cast — mostly new, apart from Stuart Kale's Prologue and Lois McDonall's fiercely original and vivid Miss Jessel — goes a long way towards making up for the loss. Jill Gomez, whose heroine won early fame in the old English Opera Group production, brings a characterisation of the greatest distinction back to London (at the same time making, like Mr Langridge, a *strangely delayed house debut).* The voice may not command ideal freedom at the top, but in all other ways Miss Gomez's individual timbre, her acute sense of gesture and timing, and her special gift of nervous intensity combine to make this a Governess nonpareil.

Also new are Margaret Kingsley's Mrs Grose, in every detail beautifully judged; Rosanne Brackenridge's plausible Flora; and a true-voiced Miles, though one with at times a rather stiff way of carrying himself, in Nicholas Sillitoe. It is, indeed, a superior cast, but it is the tautness and responsiveness of the ensemble for which the whole performance was notable.

PLG Young Artists/Purcell Room

Max Loppert

Friday's final sessions of the Park Lane Group annual series were fully as rewarding as the whole enterprise is reckoned to be — a statement that is itself sufficient praise. First on the platform was Joseph Sanders, an oboist who is not just an accomplished executant but a musician of uncommon quality. His programme, ranging from the lively and interesting (Lutyens, Britten, two movements of Koechlin's Op. 58) to the longwindedly dull (Roger Steptoe, Justin Connolly), had as its common factor a call for unfettered technique. In almost every aspect, bar a few harmonics towards the close, this was forthcoming; what I appreciated even more was the distinct cast of Mr Sanders' performing personality — unexaggerated, even understated, yet full of poetic insight.

Sharing the second part were a solo pianist and a singer. John Lenahan, a previous PLG artist with the saxophonist John Harle, showed himself here a soloist of infectious enthusiasm, rhythmic vitality, and charm; there was no indication, in his offerings of Prokofiev, Barber, David Heath, or the *Petrushka* pieces, that he had stepped into the series at a late hour to replace another pianist. Whether Mr Lenahan, on this showing, is a fully-fledged virtuoso is harder to gauge—the tone tended to clatter in bravura passages.

The mezzo-soprano Jennifer Higgins, accompanied by Erik Levi, disclosed a wide-ranging, individually coloured instrument — with better support and *fewer incursions of breathiness*, it might even be categorised a *falcon* — but little verbal sophistication in six Roussel songs. (Does Miss Higgins know Claire Croiza's Roussel records? They are a master-class in themselves.) A selection of Joyce poem-settings (including two by Szymanowski and an attractive new one by Anthony Powers) was put across more vividly; but here also inhibition seemed to interpose too much between the promise of the voice and its achievement.

Whitbread increases support for Barbican

Whitbread and Co, whose Chiswell Street Brewery adjoins the Barbican Centre, is to *sponsor a 1984 concert series* in the Barbican Hall, with the Royal Philharmonic and London Symphony orchestra.

The opening concert, tomorrow, Tuesday, with the Royal Philharmonic Orchestra, will be conducted by Yan Pascal Tortelier with Nina Milkina as soloist in Mozart's piano concerto K. 467 (the "Elvira Madigan"), and Jill Gomez and David Wilson-Johnson in a performance of Fauré's *Requiem*.

Two celebrity concerts with the London Symphony Orchestra will follow in February conducted by Claudio Abbado

Arts Guide

Music/Monday. Opera and Ballet/Tuesday. Theatre/Wednesday. Exhibitions/Thursday. A selective guide to all the Arts appears each Friday.

Music

January 13-19

LONDON

Young Musician's, Chamber Orchestra, conducted by James Blair, with Margaret Campbell, flute, and Rachel Masters, harp. Beethoven, Mozart and Haydn. Queen Elizabeth Hall (Mon). (928 3191).

Philharmonia Orchestra conducted by Oliver Knussen in the Du Maurier Music of Today series. Ligeti evening. Barbican Hall (Mon). (638 8891).

Michele Campanella, piano. Scarlatti and Liszt. Queen Elizabeth Hall (Tue).

Royal Philharmonic Orchestra and Royal Choral Society, conducted by Yan Pascal Tortelier, with Nina Milkina, piano; Jill Gomez, soprano; David Wilson Johnson, baritone. Mozart and Faura. Barbican Hall (Tue).

Chilingirian String Quartet: Beethoven. Queen Elizabeth Hall (Wed).

Academy of St. Martin-in-the-Fields, with Iona Brown soloist and director. Barbican Hall (Wed, 1pm). Vivaldi's The Four Seasons.

Marianne Ehrhardt, flute, and Michael Dussek, piano. Haydn, Hindemith, Bax and Mozart. Purcell Room (Thur). (928 3191).

Orchestra of St. John's Smith Square conducted by John Lubbock. Schubert and Mozart. Barbican Hall (Thur, 1pm).

PARIS

Dame Janet Baker, recital, Geoffrey Parsons, piano (Mon). Théâtre de l'Athénée (7426727).

Vladimir Spivakov, violin; Boris Bechtierev, piano: Beethoven, Hindemith, Saye, Franck (Mon), Gaveau (5632030).

Margaret Price, soprano; James Lockhart, piano. Lieder by Schubert, R. Strauss, Mahler (Mon), TMP - Châtelet (2334444).

Ensemble Instrumental de Grenoble, conducted by Stephane Cardon. Laure Morabito, Harpsichord: Bartok, Louvier, Ginastera (Mon), Radio France - Grand Auditorium (5241516).

Nouvel Orchestre Philharmonique, conducted by Marek Janowski, Bruno-Leonard Gelber, piano: Brahms piano concerto No 1, symphony No 2 (Tue), Théâtre des Champs Elysées (7234777).

Ensemble Orchestral de Paris, conducted by Jean-Pierre Wallez, Gaetane Prouvost, violin; Francis Hardy, trumpet; Francois-Joel Thiollier, piano: Shostakovitch, Saint-Saens, Beethoven (Tue), Gaveau (5632030).

Philip Bride, violin; Bernard Ringeissen, piano: Schubert, Franck, Brahms, Poulenc, Elgar (Wed), Gaveau (5632030).

Orchestre de Paris, conducted by Philippe Bender, Teresa Berganza, mezzo-soprano: Berlioz, De Falla/Berio, Barber (Wed, Thur), Salle Pleyel (5630796).

WEST GERMANY

Berlin, Philharmonie: The Berlin Philharmonic Orchestra and violinist Augustin Dumay, conducted by Aldo *Ceccato, play works by Bartok*, Ravel and Peter Gülke (Fri, Sat).

The Berlin Philharmonic Orchestra, under Daniel Barenboim, with pianist Jean-Bernard Pommier, offers Beethoven and Bartok (Wed).

Hamburg, Musikhalle: The Hamburg Philharmonic Orchestra, conducted by Guiseppe Sinopoli and mezzo-soprano Brigitte Fassbänder with Bruckner and Brahms (Sun).

NEW YORK

New York Philharmonic (Avery Fisher Hall): Leonard Bernstein conducting, Berlioz, Sibelius (Tue), Lincoln Center (874 2424).

Merkin Hall (Abraham Goodman House): Vladimir Leyetchkiss piano recital; Beethoven, Panayev, Debussy, Scriabin (Mon). Sharon Isbin, guitar and Nadja Salerno Sonnenberg, violin, duo recital: Bach, Giuliani, Brouwer, Barrious, Paginini, Bartok (Tue). The Clarion Concerts Orchestra; Newell Jenkins director; Mary Ann Hart, mezzosoprano. Boccherini, Sammantini, Handel, Malipiero, Mozart (Wed); Concerts Plus, Simca Heled artistic director, Albeniz, Handel, Beethoven, Ibert, Morel, Boccherini (Thur) 67th W. of Broadway (362 8719).

WASHINGTON

Concert Hall: National Symphony, Myung Whun Chung conducting. Beethoven, Hindemith, Dvorak (Tue, Wed mat. Thur), Kennedy Center (254 3776).

ZURICH

Tonhalle: Tonhalle Orchestra *conducted* by Christopher Eschenbach, piano. Mozart (Wed); Wiener Streichsextett. Mozart and Brahms (Thur).

The hidden delights of Aleppo

There are some houses, neat and four-square, which look exactly like the child's eye view of a house. There are, equally, some towns which look so obviously how a town *should* be, that they seem slightly unreal.

We know these towns from the background of countless Italian Renaissance paintings, we even visit them (places such as Carcassonne or San Gimigniano) where they are carefully preserved, behind their city walls, as near to their medieval origins as is compatible with modern tourist requirements. Rarely can such a city be found where business goes on, very much as usual.

One such town is the second city of Syria — Aleppo. Still a great trading city, although its horizons no longer stretch from the caravans which came from Iraq and Persia with goods for voracious markets in Europe, it takes its physical form from its mercantile past. When Queen Elizabeth I founded the Levant Company in 1591 (operating from Constantinople and Aleppo) there was already a sizeable presence of French and Venetian merchants operating from northern Syria.

The English, however, rapidly built up their position over the next century and became the largest European trading community in the city: St Pauls Cathedral was repaired with the aid of a large donation from Sir Paul Pindar, whose fortunes were made in Aleppo at the beginning of the 17th century.

The community of merchants in Aleppo was sealed off from the city as a whole: they lived under curfew (a reflection of the hostility felt by the Muslims for these successful godless men) and confined within their own khans. These were courtyards, in which trade and living *quarters were combined*—trade below, living above. Even though the Europeans were in retreat by the end of the 18th century and by the time of Gertrude Bell's visit (1907) the city was the victim of a tug of war between French and German interests, not to mention those of the Ottoman Government, the khans still stood, and stand.

Now used as tiny workshops, storage areas, even car parks, there is little of their original function left — though one remarkable man, the Belgian Honorary Consul (for this is the city of Honorary Consuls) still lives in the Venetian khan, inherited when one of his family had the foresight to marry the daughter of the last Venetian consul in the late 18th century.

If the Honourary Consuls remain the strongest link with Aleppo's cosmopolitan past, the fabric of the old city itself has proved remarkably hardy. The most considerable threat was the most recent—the fulfilment of the Master Plan drawn up in the 1960s. Just in time the most constructive aspects of this plan were shelved, although the sacrifice of one historic sector of the town was the price paid.

What Aleppo preserves to a quite remarkable extent, is the extraordinary ability of the oriental city builders to play a kind of counterpoint in the planning of the spaces within the walls. It is a system based on extremes: streets are narrow, crowded and noisy—then they must be balanced by public and private places which are the antithesis of that—cool, quiet and beautiful.

If markets and main thoroughfares are labyrinthine and dirty (actually Aleppo is a remarkably clean city these days) then the mosque and the house are correspondingly clean and planned around generous courtyards, with water and plants to reinforce the feeling of rest—equally for eye and ear.

Aleppo, built of milky-beige limestone, in contrast to the mud and timber of the Damascus old city, is two cities —at least. The modern one is a spread-eagled modern place, with the first smattering of badly sited tower blocks looking over the shoulder of the old city. The old city itself is a complex of demarcated quarters: even now Christians, Armenians and other groups keep to their own parts of town, just as the merchants of sacking never mix with the merchants of wool or fabrics.

The great encircling walls of the old city first give promise: the roads inwards pierce the walls beneath a series of gates, leading not simply through but zig-zagging, for these are fortifications, not ornament. Aleppo, with its great citadel as the core of the city, was magnificently secure.

The promise of entrance gates, leading into an immensely complex network of streets, some vaulted, some running along immense walls of mosque or madrasa, is delivered as you reach the souks—serious places for buying and selling, *conversation and observation* in which a visitor can wander undisturbed, with not a tout or a "guide" in sight. That air of promise continues: behind studded gates are the old houses, such as the Ghazalah.

Typically, for such 17th century town houses, the glory of this house lies in the use of banded stonework, golden and almost black, and the lacework of the stonework canopies over each window. These, remnants of the Arabic screen, are the principal ornament, together with the gilded and painted liwan (open alcoves for prayers or receiving guests).

Gillian Darley

FINANCIAL TIMES
BRACKEN HOUSE, CANNON STREET, LONDON EC4P 4BY
Telegrams: Finantimo, London PS4. Telex: 8954871
Telephone: 01-248 8000

Monday January 16 1984

Private funds for Airbus

AROUND THE END of this month the UK Government is expected to decide whether to approve British Aerospace's application for over £400m of launch aid for the new A-320 narrow-body Airbus. Although there are powerful commercial arguments against such an investment, the betting is that it will be approved in some form.

Contrary to the Prime Minister's worst fears, the aircraft will not be another Concorde. It will have a firm base in established technology, and be produced by a European consortium that has shown it can make efficient aircraft which airlines want to buy. There is a widely held view that a substantial market for aircraft of this type will develop during the next few years.

But the case against Government involvement in the project lies in the nature of the risk involved. It will require vast sums of front-end finance, and at best will not start to pay off for well over 10 years. Airbus will be competing against an enormously powerful market leader, in the shape of Boeing, which shows no sign of flagging.

Any assumption about the eventual rate of return could be thrown wildly out of line by movements in the sterling/dollar parity over the next decade. And even when the aircraft have finally been built, they will probably need further hidden subsidies in the shape of export finance in order to generate sales.

Rare example

Some of the arguments in favour of the application are not very convincing. There is no great record of technological spin-offs from civil aircraft projects of this type. Refusing to back the project would only give Boeing a monoply if the world's airlines were prepared to let that happen. And the skills which might be threatened by such a decision might be more usefully employed in other ventures where Britain had a better chance of commercial success—the development of smaller aircraft, for instance.

Yet as a very rare example of successful industrial collaboration in Europe, the British involvement in Airbus Industrie is an asset that should not be lightly discarded. Moreover, its backers argue that the market place has changed so radically that comparisons with previous—largely unsuccessful—civil aircraft projects are meaningless.

Whereas in the past there were four or five potential competitors in Europe and three in the U.S., the main confrontation today is seen to lie between Boeing and Airbus. This means that the job of selling more than 500 A-320's, which will be necessary to achieve financial viability, may not be such an impossible target.

In the end, however, the decision on launch aid will essentially be political. Governments often find it more attractive to place a bet on an uncertain outcome in the distant future than to face the certainty of widespread hostility if a prestige investment is turned down. For this reason, they have found it easier to permit a steel or shipbuilding industry to shrink away over time than to take a decision that would kill a capital-intensive, high-technology venture.

The same thinking applies to the application by Rolls-Royce for money to finance its share of the planned V-2500 aero-engine, which will be considered by the Government at the same time. The decisions are related, in that the new engine could be fitted to the A-320, but independent to the extent that each project could go ahead without the other.

There is, however, a special feature in the British Aerospace case which the Government should exploit. The company insists that the prospects for the A-320 are so attractive that it would theoretically be possible to raise all the money from the private sector. But at a time when it is already involved in a number of expensive development programmes, extra borrowings on such a scale would have a serious impact on its profits over the next five years.

An imbalanced capital structure is not normally a reason for failing to develop a gold mine. But if there is anything in the company's argument, it can hardly be beyond the wit of some innovative merchant banker to devise a scheme that would involve the Government putting up risk capital for the project—much less than the total amount requested—to serve as a cushion for private sector loans. The debt would need to have minimal servicing costs in the early years, and the Government might offer a few of its shares in British Aerospace as a sweetener to achieve this. But there should be no Treasury guarantees, which would only fudge the issue.

The Government should make any support conditional on some measure of independent private sector finance. It should also do everything in its power to require Airbus Industrie to publish a proper set of accounts. Without basic data on the costs of making and selling its aircraft, it is impossible to draw any conclusions about the commercial performance of the consortium.

Reaganomics in a cold climate

ONE OF the many ironies about the current recovery in the U.S. economy is that worldwide disapproval of the principles behind President Ronald Reagan's economic policies has grown in direct proportion to the success of these policies in practice. The survey of the U.S. economy published yesterday by the Organisation for Economic Co-operation and Development is the latest example of this apparent paradox.

The acknowledgment that the U.S. is now enjoying "one of the most impressive combinations of strong growth and low inflation seen in recent decades" is only the prelude to a sustained critique of President Reagan's central policy failure, which "bodes ill" for the medium-term future of the U.S. and the world as a whole.

Market sentiment

This failure is, of course, the U.S. government's inability to control its budget deficits. But the OECD is no more able than President Reagan's numerous other critics to identify specific penalties which he will face in the near future if his present policies are maintained. The overvaluation of the dollar may "appear incompatible with a sustainable balance of payments position": high real interest rates may lead to a "marked deceleration" in house building; a rise in personal savings may weaken consumption. In general the recovery may prove "shorter-lived" and more "modest" than the normal experience. But this is hardly the stuff of a supremely confident politician's election-year nightmares.

President Reagan has relatively little to fear from deficits—on either the federal budget or on the U.S. balance of payments — as long as he can continue to finance them with ease on buoyant foreign exchange and bond markets and as long as optimism among equity investors continues to boost consumer confidence and strengthen business balance sheets.

The question which critics of Reagonomics should be asking more forcefully is what happens when market sentiment turns? A fall of 20 per cent in the dollar would raise prices by 3 to 4 per cent, the OECD estimates. Household wealth has increased by $500bn, or 23 per cent of annual disposable incomes, as a result of the boom in the stock market between mid-1982 and mid-1983, the OECD mentions at another point in its report. What would happen to consumer spending if this windfall were to melt away as a result of waning confidence in Wall Street?

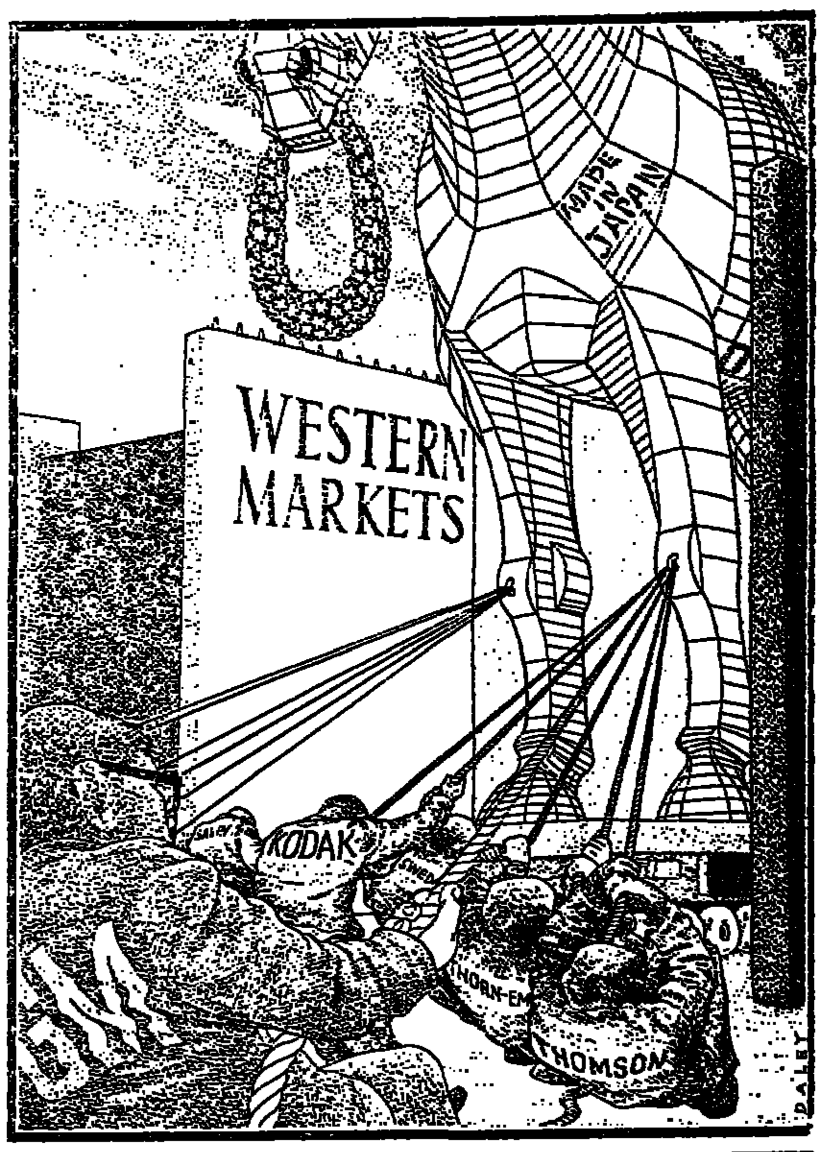
The susceptibility of government policy to market psychology is perhaps the greatest imponderable to have dogged all economic planning in the last decade. Few economists or policymakers have yet found a way of allowing for it — underestimating and overestimating its importance by turns. Eighteen months ago, for example, most forecasters, the OECD included, were excessively pessimistic about a U.S. recovery.

Now the bond and foreign exchange markets are again refusing to be panicked by President Reagan's insouciance towards the deficits. But sooner or later sentiment will turn—it is mainly in their timing, rather than their substance, that the critics of Mr Reagan's budgetary policies have missed their mark. The latest news of slackening retail sales and money supply growth may even suggest that the long-awaited decline of the dollar and Wall Street is about to begin. But persistent critics of Reaganomics have lost too much money and prestige on such expectations already — for the moment they may be safer to blame the modest setbacks not on the deficits but on December's frigid weather.

Collaboration in industry

Beware Japanese bearing 'gifts'

Christopher Lorenz examines the risks facing Western partners who enter joint ventures and licensing deals with Japanese companies



THE HEROIC Westerner marches into battle shoulder-to-shoulder with a tough Samurai warrior, nervously glancing over his shoulder lest his "ally" should stab him in the back.

The image will be familiar to anyone who read James Clavell's epic novel, Shogun, or saw the television dramatisation, starring the ubiquitous Richard Chamberlain as the reluctant Western hero.

But it is no mere 17th century fantasy. It describes exactly one of the growing realities of modern industrial life: the uncomfortable position of enforced collaboration with a strong, unpredictable Japanese partner into which many Western companies are being forced in order to survive—not just in distant foreign markets, but also on their own front doorsteps.

Such relationships can take the form of licensing agreements, "original equipment" (OEM) deals, or "joint ventures" (many of which amount to little more than licensing).

A decade ago they were confined to a few types of product, notably cameras, cheap and simple consumer electronics, and "professional" electronic equipment such as copiers and cash registers. But now there is an almost endless roll-call of Western companies which rely on Japanese technology, and often on outright Japanese-made products. The range spans high-technology items as diverse as robots, cars, integrated circuits, video recorders, computers and telephone exchanges. It grows almost by the week.

This is no mere matter of using Japanese equipment to plug small gaps in one's product range, a tactic carefully practised for some years by the likes of John Deere and Caterpillar. The deals are often more far-reaching. Some are arranged to cover yawning gulfs which have already opened up in the Western company's basic product range; among the most dramatic examples has been the desperate need of Thorn/EMI, Telefunken and Thomson for video cassette recorders, which resulted in their agreement to build European plants to make JVC's design, using many of its Japanese-made components.

Another such deal is the proposed General Motors collaboration with Toyota on small cars, which will be sold as "Chevrolets."

Others embrace a Western company's attempt to exploit a technological innovation which is about to burst upon the market, but which it failed to spot in time, or in which it did not invest enough. Here, the clearest case so far was Kodak's announcement a fortnight ago that it plans to pioneer the market for "camcorders"—combined 8mm video cameras and recorders—with machines bought in from Matsushita and tape from TDK, but sold under the Kodak brand.

In almost every case, the Western companies in these deals now have to live with the fear which stalked the Westerner in Shogun: that they will wake up one morning, or turn round on the battlefield, to find their backs neatly skewered by the sword of their friendly oriental partner.

In more down-to-earth language, they will discover that they have allowed their distribution networks to be used by the Japanese partner as a low-cost way of testing the market, and of building a reputation with dealers and consumers. Having also perhaps generated enough volume to justify the politically useful step of opening a local factory, the Japanese company has decided to break loose and sell under its own name, leaving its erstwhile partner in the lurch.

To mix one's cultural analogies, the Samurai has used his Western partner as a Trojan horse.

For GM, Kodak, and particularly the shoals of smaller and

A conflict of expectations from the start

less hardy fry who have entered into such deals, the fear must be that they will share the bitter experience of several European electronic cash register companies, notably Sweda, which were told in 1980 by their Japanese supplier, Omron, that it had decided to go it alone and establish its own distribution network. "You've been relying on Omron for years without even realising it," the company declared in noisy trade advertisements, before going on to undercut the selling prices of its Western dependents and grab a sizeable share of the fast-growing market.

A similar, if less sudden, tactic was adopted in 1978-79 by Ricoh, Japan's largest copier manufacturer, after 15 years of selling only via distributors: Savin in the U.S. and several companies, including Nashua, in Europe. Ricoh's move to sell under its own name has had limited success so far—in a crowded marketplace, it is taking time to set up an extensive distributor network, and—like Omron—it continues to sell "factored" products in parallel, to a clutch of Western companies including some of its original customers.

But the significant point is that its breakaway had a dramatic effect on Savin, the largest of its Western partners. In what amounted to a "beat the company" decision, Savin reacted by investing heavily in the manufacture of its own design of copier. Mr Eugene Glazer, vice-president of research at Dean Witter, estimates its outlay at "well over $100m—a huge risk." Almost four years down the line its factory in New York State is still not fully operational, and its financial problems have driven it into the arms of a new owner, Canada Development Corporation.

There is nothing uniquely Japanese about these tactics. They are endemic to almost any licensing/OEM/joint venture relationship.

Mr Michael Yoshino, a Japanese-American who is professor of general management at the Harvard Business School, points out that European companies used to complain about Americans doing precisely the same thing. But he admits that the problem has become "particularly acute" with the emergence of Japanese prowess in so many sectors of industry: not only because of the plethora of such deals, and their importance to the frequently weaker Western partner, but "because of cultural differences in how the contract is viewed."

"Neither party is willing to bring up the problem at the outset," he says. As a result the two sides tend to have conflicting expectations from the word "go."

The most basic difference of view, and also often the most potentially damaging to the Western side, concerns the likely length of the partnership. In yet another example of the West's now notorious failure to match the Japanese ability to think and act in terms of long-range strategy, many Western partners seem to be caught short when their agreements collapse or simply fail to be renewed.

"We in the West still think only of filling short-term gaps rather than about the long-term consequences of such deals," complains Mr Tino Puri, one of McKinsey's most experienced international consultants. Mr Lawrence Franko, professor of international business relations at Tufts University in the U.S., goes further: "While the Japanese see joint ventures only as a first step, Western companies use them as a substitute for independent development," he claims.

"All the deals tend to break down," says Mr Puri, pointing to a host of examples, including Mitsubishi's successful breakaway from Chrysler since 1980 in the U.S. car market.

Virtually the only lasting agreement Mr Puri can cite is the 16-year-old robotics link between Kawasaki and Unimation, which has developed into a successful joint venture in research and development, with each side continuing to make a substantial contribution.

Only when joint ventures are so far-reaching do they stand much chance of survival, Mr Puri maintains. This is the sort of collaboration between equal partners which motor and electronics companies, in particular, are beginning to develop as part of a new international division of production, but which has not yet been achieved on any great scale.

So how can European and U.S companies ensure that their many less ambitious, shorter-term collaborative deals are turned to their advantage? From all quarters, the message is remarkably consistent. When

The vital role of good technology development

negotiating the deal, the Western company should:

- Try to ensure that design of the product is not abnegated to Japan. Hugin Cash Registers even owns the tools which are used by its Japanese supplier.
- Not underrate the competitive value of its own distribution channels, which are the one thing its Japanese partner lacks. Thorn-EMI and other Western electronics companies have been accused repeatedly by their Dutch rival, Philips, of "giving away" their most precious asset—sometimes actually paying for the privilege—in exchange for very little except for a flow of products and the creation of a few local jobs in an assembly plant. Philips has provocatively dubbed them as "little more than screwdriver factories."

Once the agreement is in force, the Western company should not sit back and direct its attention and resources to other parts of its operations, but should use the breathing space wisely, by:

- Reinforcing its marketing strengths, and particularly the "barriers to entry" which its distribution system poses to potential competitors. It should not only emulate the astute cultivation by Japanese importers of dealer loyalty (by offering bigger margins, better advertising support, and so on), but should try to copy Caterpillar's model support—financial and logistical—of its dealers, with which it preserves their exclusivity against arch-rival Komatsu. "It would be suicide for a dealer to leave Cat," says one observer.
- Above all, it should redouble its technological efforts in order to come bouncing back with the next generation of products. That is how the French and Germans caught up with the U.S. in nuclear technology, how the Japanese themselves exploited Western technology in the 1950s and 1960s, and how Philips has fought back in such products as small TVs and batteries.

Whatever one's judgment of Thorn's VCR strategy, the company certainly pulled it off with standard TV manufacture (as Andre Previn never ceases to tell British viewers), as did Plessey in digital private telephone exchanges (though its partner was American, not Japanese). U.S. General Electric plans to do the same in robots, and GM claims it will follow suit via its "Saturn" project, though in its case sceptics abound.

But there are drawbacks on every count. It is difficult to reinforce "barriers to entry" in distribution at the best of times, especially in the growing number of sectors (such as low-cost copiers and personal computers) where technological advance, product reliability and sheer competition are reducing the competitive value of dealerships and after-sales service. Few markets operate like British TV and video, where Thorn enjoys considerable protection through its control of an unusually rental-orientated distribution system.

It is equally hard for a company to reinforce its technological strengths if it no longer has any, if it is short of resources, or if (like Kodak) it is entering territory which is new to it. Yet many Western "joint-venturers" with Japan suffer precisely these problems.

McKinsey's Tino Puri admits that "it's desperately late" for many European and American companies to start taking these steps. But he warns that there is no other way out of the impasse into which they have got themselves.

They need not always try to compete head-on with the Japanese, he argues. But because of the risk and cost of diversification, many companies may be condemned to fight on ground that they already know.

Whether in new territory or not, it is hard to build a distribution advantage if your technology is weak. "It comes back every time to your own technological effort," maintains a senior executive at Philips.

Mr Cor van der Klugt, the Philips board member in charge of consumer electronics is emphatic that however widespread international collaboration may become—and Philips is involved in a welter of deals—"we must continue to make significant technological contributions to our products." Unless companies do that, he says, "they simply become middlemen for someone else." Nowadays that "someone" is most likely to be a Japanese Samurai.

Men & Matters

City jolt

Professor Laurence Gower, known to his friends as "Jim", will this week give the fabric of the City of London another shaking. His final report on investor protection is to be published and will prompt many in the City establishment to reach for a strong drink.

For someone who reached pensionable age some time ago—Jim Gower was 70 last month—he seems to be very much in his prime. His last report, a discussion document which outlined his plans for investor protection caused more of a stink in the City than the pipe which he constantly smokes and refills.

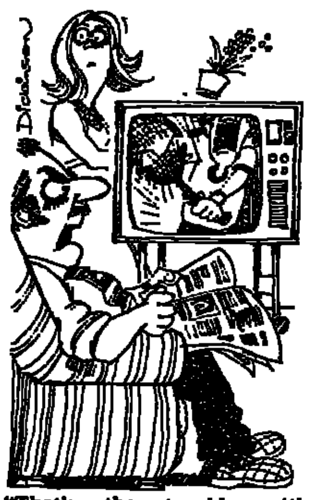
The Stock Exchange and Sir Nicholas Goodison its chairman, warned that its authority would be undermined if Gower's proposals were accepted. The influential City Capital Markets Committee, representing a wide range of City interests, and the Council for the Securities Industry all joined in the chorus of criticism.

Gower has little time for City humbug and special pleading. He has a straight from the shoulder manner of address which was well reflected in his discussion document on self regulation. He described the Lloyd's insurance market as a "somewhat disputatious institution" and a suitable example of unsupervised self regulation in action.

He summed up the criticism of the Council for the Securities Industry and said that there were those in the City that regarded it as "a fifth wheel on the coach with little prospect of ever becoming anything more useful."

As research adviser to the Department of Trade and Industry on company law, Gower comes from essentially a red brick university background, removed from the City universe of Eton and Harrow, and Oxford and Cambridge. He is Professor Emiritus at Southampton University, a solicitor and honorary Professor of Law. He served on the Royal Commission on the Press between 1975 and 1977 and seems to have acquired a talent as a self publicist.

"It is still pretty amateur in the City," he confided recently.



"That's the trouble with indoor tennis—you have to put up with McEnroe for 12 months of the year!"

Back in view

Once a recluse, always a recluse? Well, not always — at least not if you are Edmond Safra, the very private Geneva-based banking tycoon. He came out of hiding last week to throw a lavish party in Milan which would have made even an American Express plantinum cardholder blush.

The mysterious Safra, who last year let American Express take control of his Trade Development Bank for a mere $550m, stood watching quietly as hundreds of glittering guests sipped champagne and glided past a 90-foot long spread of gourmet snacks in the grand ballroom of Milan's Principe e Savoia hotel.

To the strains of flute and harp music, members of Milan's financial elite moved across the room, arguing softly about whether Safra was worth $700m or $1.5m. The elusive Safra whose impending presidency at American Express is said to be causing problems for his controlling stake in Republic National Bank of New York, watched indulgently as the bankers made merry.

Just before heading for the exit, where an inconspicuous dark blue Alfa Romeo was waiting, he told one guest that contrary to U.S. press reports, no problem would be posed for Republic National by his assumption of the Amex presidency.

Job hunting

Amid empty shelves and cardboard boxes, David Newbigging was last week packing away the vestiges of 30 years' working life in Hong Kong. Over the weekend, the former chairman of trading conglomerate Jardine Matheson left the Colony with his family en route for a farewell tour of Jardine's regional offices. He will settle in London in April to see what opportunities there are for an ex-taipan, nearing 50 and still "in pretty good nick."

Newbigging was born in China, joined Jardines—"the princely Hong"—in 1954 and became chairman, or taipan, in April, 1975. His life at the top came to an end in September last year when the Keswick family, descendants of founding father William Jardine, tightened their grip on the company with 40-year old Simon Keswick succeeding Newbigging as chairman.

Gossip-hungry Hong Kong was agog at the boardroom feuds rumoured to have shaken Jardines for much of last year, with the Keswick and Newbigging camps seeming to embody the qualities of irrestistible force and immovable object respectively.

The final resolution was less than graceful. An original agreement that Newbigging would remain chairman until June, 1984, wa abruptly terminated with an announcement on September 29 that he would be quitting the job the next day.

Newbigging has no taste now for discussing his final months at Jardines, preferring only to note that he has been one of the company's longest serving top officers, and that given the right opportunity he remains young and fit enough to make a fresh career start.

Outside advice

Peter Levene, chairman of United Scientific Holdings, has completed his first week as personal adviser to Defence Secretary, Michael Heseltine. It is an appointment that has been greeted with something less than enthusiasm by some of Levene's rivals in the defence industry.

For the next six months — without pay, since he continues at USH — Levene will advise on ways of improving management efficiency at the MoD. The combative Heseltine apparently decided he needed outside help after his own inquiry through Minis—the management information system for ministers.

Heseltine had been impressed by Levene's acumen in building up USH, now strong in the defence field, having bought Alvis, the armoured vehicle manufacturer, in 1981, to add to its high-tech business in military equipment such as laser range finders.

If Levene's move has its critics, there are others, he tells me, who have been delighted that somebody who knows the industry should be advising on the MoD's internal set-up. One matter he could well look into is the size of the MoD's 41,000 strong procurement executive.

Observer

FOREIGN AFFAIRS

The diplomacy of mere gesture

By Ian Davidson

THE EUROPEAN *Security Conference* which opens in Stockholm tomorrow has come to be recognised as a much more important event, in political terms, than when it was first proposed. After the abandonment or suspension of three East-West arms negotiations, Stockholm has become the prime focus of hope for those who set store by security talks between the opposing alliances.

After an appalling deterioration in U.S.-Soviet relations, the gathering of foreign ministers from 35 countries to discuss European security, and the prospect of bilateral meetings between the U.S. Secretary of State and the Soviet Foreign Minister, have been invested with European hopes for some kind of superpower thaw. The danger is that these hopes have been greatly overdone, and that disappointment will be correspondingly stark.

Disappointment is almost inevitable if public opinion expects any speedy and dramatic breakthrough in the ostensible business on the conference's agenda. The purpose of the negotiations is to draw up confidence-building measures governing the operational activities of the conventional forces on either side of the iron curtain; this would involve, among other things, advance notification of troop movements and manoeuvres, so as to guard against the danger of surprise attack or war by misunderstanding.

Some rudimentary rules of this kind are supposed already to be in force, as a result of the 1975 Helsinki agreement. But the Russians have not always observed those treaty obligations, and since it is the West's objective to secure more detailed and more binding constraints in future, over a geographical area which would for the first time extend right across European Russia, it is *evident that the* negotiations will at best be a long hard slog, with the Russians resisting every inch of the way.

Only if the negotiations achieve real progress on these confidence-building measures will the conference move on to a second stage of discussing arms reductions as such. On the most optimistic assumption, that second stage will not start for several years—if ever.

In theory this week's ministerial circus is supposed to give the conference a good send-off: the negotiations won't start in earnest until the foreign ministers have gone home. In practice, the speech-making and the hoopla have been invested by popular expectation with a political significance transcending by far the nuts and bolts of troop movements. The question most generally and most *anxiously being asked is:* will this week's meeting mark an easing of tension between the two camps?

Nothing constructive can be expected from the Russians. No doubt they would like to be treated with more friendliness by the Americans; no doubt they would like the West to be distracted from the outrage of their organised terrorism against the people of Aghanistan, and from the scandal of the shooting down of the Korean airliner. But it is hard to think of any change of policy which Moscow would be likely to adopt, so as to deserve a more confident relationship *with the West.*

On the contrary, the only thing to be expected from Mr Andrei Gromyko, the Foreign Minister, this week is wearisome disinformation and propaganda. This propaganda is the more probable because the Russions will want to divert attention from the fact that it is they who have just walked out of three arms control negotiations.

Since the Russians do not *want the Stockholm conference* to success in its stated objectives, they can probably be counted on to put forward (not for the first time) a raft of quite different ideas which might sound good to the man in the street, but which would be without real meaning or value. Among other things, they may propose unverifiable freezes of certain classes of weapons, or unverifiable weapon-free zones, or reciprocal (but unenforceable) declarations on the non-use of nuclear weapons.

Such notions would be all show and no substance. The danger is that Western public opinion may be so hungry for any evidence of East-West rapprochement that it may put pressure on Western governments to succumb to the diplomacy of gesture, however empty and specious.

Andrei Gromyko (left) and George Shultz

Something more may be expected from the Americans, at least in atmospheric terms. For some time now President Reagan has been avoiding public expression of his extreme anti-Soviet feelings, and he recently recanted on his celebrated characterisation of the Soviet Union as "the focus of evil." Last week Mr George *Shultz, the Secretary of State,* signalled a new American readiness for a thaw in U.S.-Soviet relations, provided the Russians reciprocate, and more of this kind of language may be expected in the President's speech scheduled for today.

This change of tone is in part a reaction to domestic political pressures, in part a response to demands from America's European allies. The recovery of *the U.S. economy will be a* strong card for Ronald Reagan if he decides to run again; but the bankruptcy of his foreign policy, from Lebanon to El Salvador, makes him vulnerable to Democrat opponents. They cannot easily criticise the details of his nuclear arms control proposals in the defunct Geneva talks; but they can argue, more plausibly, that a President who ceaselessly vilifies the Soviet Union not merely is unlikely to secure any arms control agreement with Moscow, but also risks making the international situation more dangerous than it need be.

President Reagan may also recognise the need to improve his image on this side of the Atlantic. European leaders, including Mrs Thatcher, have been calling for improved dialogue *with the Soviet Union, and last* month's Nato meeting urged, *mirabile dictu,* the opportunities for "genuine détente" with the Warsaw Pact.

Whether the change of tone signals a corresponding change of policy, let alone a change of attitude, must be dubious. At Ronald Reagan's age, basic attitudes do not change easily; on the other hand, the actor may not find it too difficult to adapt the script to elicit the applause. If he modulates his language to suit his re-election campaign, and if in the next few months the Russians were to conclude that *their* propaganda was failing to split the West, perhaps they might elect to resume negotiations with Washington, at least on the issue of strategic nuclear weapons.

Such a resumption would be doubly welcome: it would ease *the domestic agitation in the* West, and it would offer some prospect of a slow-down, conceivably even a reversal, of the nuclear arms race. Whether the re-election of Mr Reagan would be equally welcome to western Europe (let alone to the Soviet Union) is another question: Moscow has to reckon the disadvantages of an anti-Soviet U.S. President against the advantages of one who has alienated much of public opinion in western Europe.

Yet important though they are, arms control questions are not the heart of the matter. Some cynics argue that an arms control negotiation makes its only positive contribution to peace at the moment of its inauguration; from that moment it is downhill all the way. Even if this is an overstatement, it is clear that arms control talks are only a factor, probably a very *small factor,* in the maintenance of world peace.

The real trouble with the Reagan Administration is that it still has not evolved any overall strategy for dealing with the Soviet Union. To be sure, it is no easy task to prescribe what such a strategy should look like. But it would certainly not be based on the presumption that Moscow is the puppet-master behind every Left-wing regime and every guerrilla movement; it would certainly not be based on the presumption that America has the power (let alone the right) to determine events in the Lebanon; and it would certainly *not be based on the presumption* that Cuban backing for the Sandinista government in Nicaragua is a direct threat to America's security.

The paradox is that the Reagan administration's fevered efforts to protect the free world against Communism are, to a large extent, either beyond the call of duty or counterproductive. Russia is, no doubt, an expansionist and troublemaking power. But the U.S. is immensely secure and could, with advantage, for itself and the rest of the world, take a much loftier view of events in other countries. When Ronald Reagan speaks today, and *George Shultz tomorrow,* we should be hoping, not for some new arms control proposals, but for indications of a more balanced and a more coherent U.S. foreign policy.

The French Economy

Paris in the winter—or 'I've been here before'

By Samuel Brittan

EACH TIME I visit Paris, more buildings appear to have been cleaned, but there also seem to be more policemen of every kind and hue around the Elysee Palace: uniformed men huddled together in mini-buses or in the streets, as well as non-uniformed but obviously security men in the many cars which somehow or other seem to have been able to park near road junctions around the perimeter of the palace.

The other dominant impression on my visit last week was the extreme politicisation of every issue. The seven-year presidency was instituted by General de Gaulle to give France periods of stability, which would not be dominated by electoral motives. Yet in this it has entirely failed.

The Presidential election is not due until 1988 and the parliamentary elections until 1986. But already the minds not only of politicians, but of businessmen and bureaucrats, is focused on them, as well as on the delicious possibilities of a period in 1986-88, when the President and Parliament might come from different parties.

The escapism into partisan politics has no foreseeable end. The elections this year for the European "Parliament" are being treated as a dress rehearsal for later events; and even after the presidential elections of 1988, there will be the parliamentary ones of 1991, and so on indefinitely.

No doubt the political talk is being stirred up by the conservative parties and the sections of the French propertied and professional classes who regard a Socialist government as not quite legitimate, and a temporary usurpation. But the Mitterrand Government has itself contributed to the atmosphere by promoting the affair of the "sniffers": the delicious story of how the nationalised petroleum company, Elf, during President Giscard d'Estaing's term, was taken in by a trick device, peddled by a Belgian count and a so-called Italian inventor, which was supposed to detect oil below the ground.

But this "affair of the sniffers" could turn out to be *double-edged.* After all *this* is the kind of "selective physical intervention" so beloved by socialist leaders, as well as corporatist conservatives. Even now President Mitterrand is busily promoting the need for a "technological initiative" for the EEC, which would be all too likely to repeat the story of the "sniffers" (and Concorde and the threatened Airbus) on a large scale. Whenever politicians and bureaucrats spend money that is not theirs on projects they do not understand, which otherwise would not be financed, the result is normally the same.

"Technology" aside, the atmosphere in France is reminiscent of Britain during the Callaghan-Healey period of the later 1970s. A left-wing government has pursued sound money policies to limit the Budget deficit and to control money and credit, but has done so against its declared original intentions as a result of a mid-term U-turn promoted by a run on the currency.

*It is not only in macro*economic policy that the parallels with Britain *strike one.* France is at a much earlier stage in shedding manpower in traditional industries than Britain. Even if unemployment has remained more or less level at 2 million since mid-1982, this has been largely due to measures such as early retirement which have taken people out of the labour force, and even more to pressure on companies to retain redundant workers.

The atmosphere is reminiscent of Britain during the Callaghan-Healey period

Although the Government's agreement that Peugeot should sack 1,900 workers at Poissy has led to the use of riot police to clear occupied plant, a "secret report" by the official accounting watchdog, the Cour des Comptes, suggested a total of 10,000 redundancies in the group. The Government would undoubtedly like to reduce the work force of overmanned or unprofitable enterprises. But recent events have thrown doubt on the view that a Socialist Government would be better able to sell such ideas to union leaders.

Free market rhetoric is, however, more fashionable than for many decades past. The Government itself is committed to liberalising price controls and the Industry Minister speaks of the virtues of competition. The Opposition parties respond by trying to go one stage further.

But as in Britain in the late 1970s, these ideas do not go very deep. One of the key advisers to the conservative leader M. Chirac, told me of his party's plans to curb public spending "except of course defence."

Meanwhile, France is lagging in the European recovery stakes, well behind West Germany and Britain. Output was nearly flat in 1983 and is expected to re*main so in 1984, both by French* officials and key international bodies such as OECD.

It is difficult to see why France, after the devaluation of 1983, should not have a better growth prospect. Indeed, French exports have risen rapidly in the last twelve months and faster than those of Germany; which Finance Minister Jacques Delors is willing to concede is one benefit from the falling dollar and the 1983 franc devaluation.

The current balance of payments is now moving towards a surplus, which the Government would like to increase to repay recent international borrowing. The prospective strength of the current account, together with the weakness of the D-Mark on international markets may delay the next franc realignment, in the EMS, even while French costs continue to rise at more than twice the German rate. *That is one reason why the re*cent rapid rise in exports is expected to dwindle away.

There are two rational choices the French authorities could make. One would be to make a serious attempt to reduce the inflation rate from the 7 to 8 per cent now in prospect for 1984 to the German level of 3 or 4 per cent. This would mean continued stagnation or worse for a while, but there would be light at the end of the tunnel. Alternatively, they could try to live with, and stabilise, current inflation rates. This would mean accepting a continuing series of EMS realignments. The combination of a Wilsonian hang-up *on the exchange rate, combined* with the unwillingness or inability to launch a genuine monetary attack on inflation, risks landing the country with the worst of both worlds.

Letters to the Editor

Pension schemes and use of surplus funds

From Mr J. Quarrell

Sir,—Mr J. M. Young (January 9) criticises the letter from John Garnett of the Industrial Society who wrote (December 29) expressing surprise at the reports of a payment from an occupational pension scheme to the employer based on anactuarial "surplus" shown on a periodical valuation.

Mr Young appears to be unaware of the legal position of trustees who are appointed simply to administer the pension trust. The employer's interest is as a settlor entitled only to a payment from the trust after its objects are fully satisfied. That is normally when the scheme is wound up and there is then a crystalised surplus. The periodical valuation usually shows any "surplus" after taking into account estimated future contributions and investment income as well as estimated future liabilities. The actuary would be the first to agree that such a "surplus" depends entirely on his judgment of future developments. This is why it is necessary to make periodical actuarial valuations used mainly to advise the employer as to the future contributions the scheme needs. I have used the word "surplus" in quotes because I believe that it is the wrong use of the word. It is only one person's view of an amount over the above that required to meet his view of the liabilities. It is also calculated at one particular, favourable or unfavourable, point in time. It is therefore artificial and could prove to be very far removed from what happens in reality.

Apart from small payments to compensate the employer for any premiums he may have paid to the Department of Health and Social Security the trustees' legal responsibility to the members would, I believe, justify them only in the most exceptional circumstances if they anticipate the payment to the employer of an ultimate surplus on winding up the scheme.

John J. Quarrell,
1, Carville Avenue,
Southborough,
Nr. Tunbridge Wells,
Kent.

A float for a project fund

From Mr I. Newman

Sir,—Your article of January 4 regarding British Aerospace's £437m Government aid request for Airbus wings and the *similar £113m development* funding for Rolls-Royce and its V-2500 aero-engine fully highlights the multiple conundra in which government and state-owned corporations find themselves.

Perfectly proper requests for funding by government can lead to charges of "hand-out" and belief in "cap-in-hand" projects. Naturally, government is unwilling to spend in *the light of PSBR and restric*tions on spending. In addition, funding decisions are made more difficult by the complexities of weighing the balance of risk and, the corollary, the balance of success and likely payback. These projects have the reputation of over-running on time and cost. Is there a solution?

Certainly it is possible to imagine a particular financial instrument—call it a project fund—which would be floated more or less conventionally via a prospectus and issue. Risk would be accepted by the underwriters and investors. Public scrutiny would be turned on to the venture from the outset. Investors would not own a share in the project but be rather in the position of bond holders. The fund could be floated fixed price or tender, over fixed or variable term and *fixed or variable rate. Indeed,* if the project fund were handled as if it were a corporate entity with p&l and balance sheet equivalents a dividend method could be used instead of interest rate.

Ivan Newman,
27 Spenlow Drive,
Chelmsford, Essex.

Promoting wiser use of fuel

From the Director, Association for the Conservation of Energy

Sir,—Last November, Peter Walker, the Secretary of State for Energy, announced that he intended to fulfil one of the few specific promises in the 1983 Conservative election manifesto, and institute a new energy efficiency office to promote the wiser use of fuel. His decision followed mounting criticism — from committees from both Houses of Parliament and from the Prime Minister's own Whitehall "watchdog" Lord Rayner — of the diffuse, *ill-organised* and thus ineffective way in which the "Save It" campaign was run.

Differing solutions to the problem were propounded by each of the reviews of the campaign, but each in turn recommended one fundamental alteration; that all conservation-related activity emanating from Whitehall departments should be properly co-ordinated. As at a modest estimate some twelve *different departments of state* are involved in energy issues in some way or another, this either required the formation of a separate independent agency on the French model (as the Commons Energy Select Committee, and the Lords EEC Committee, both recommended); or that all of the £100m spent annually in this area by government be controlled by an office within the Department of *Energy (as Lord Rayner pro*posed). At present, the Department of Energy has executive responsibility for only 10 per cent of that money.

Peter Walker's new energy efficiency office — now in its third month based in the headquarters of the energy department and staffed entirely by civil servants — in fact fulfils neither of these roles. Its direct financial remit is certainly no greater than that previously possessed by that department's conservation division.

What it does have, however, is a Secretary of State at its head who has committed a lot of his personal prestige and time to promoting its policies: hence the wide-ranging set of *publications, conferences* and exhibitions which the new office is either attending or sponsoring.

What it does have, however, is any control over any other department's energy conservation policies. Initially this did not seem to matter, as Peter Walker appeared confident that his Cabinet colleagues would all support his campaign to the full.

But it already appears that, for instance, the Welsh Office has now forbidden all Welsh councils to make any more grants available under the homes insulation programme to assist the installation of loft insulation, despite the fact that less than half the budgets allocated last April have been spent, and despite this being the only domestic energy saving measure which Whitehall *finances.*

It seems ironic that only days before this ban emerged, the Department of Energy's team were in Swansea shopping centre — with Government *Ministers,* door to door leaflets, display stands, balloons and dolly birds — urging home-owners to become more aware of the ways in which Government could help them save energy.

The question therefore remains: do we yet have a coordinated Whitehall policy to ensure energy is used wisely as the 1983 manifesto promised? And if not, how can we ensure that one is created?

Andrew Warren.
9, Sherlock Mews, W.1.

Manipulation of appointments

From the Leader, Greater London Council

Sir, — I write to draw attention to the blatant manipulation of appointments by the Department of Transport which has resulted in the leader of the Conservative group of Greater London Council being removed as a member of the Port of London Authority. Alan Greengross, a transport specialist, served as a GLC nominee for the past three years and the current Labour administration recommended that he should be reappointed when his term of office expired.

Extraordinarily, Ministers from Mr Greengross's own party have *now decided not* to reappoint him. It is hard to escape the conclusion that the decision has been reached because of Mr Greengross's opposition to the Government's plans to abolish the elected GLC in favour of a series of joint boards and appointed quangoes. Is this the kind of overt use of political patronage to rewards friends, punish enemies and eliminate opposition that we can expect to see in the quangoes with which the Government intends to replace the council should it succeed in abolishing the GLC?

Ken Livingstone.
County Hall, SE1.

Airworthy already

From Mr R. Argles

Sir,—I concur wholeheartedly with John Wilkinson (Jan 11), however, it should be pointed out to him that the Airbus Industrie A320 is not the sole effective competitor to Boeing. McDonnell Douglas also produces a viable proposition in the form of the new style DC9, which is not only in production but has also already gained its certificate of airworthiness.

Richard Argles.
10 Grafton Street, W.1.

FINANCIAL TIMES
Monday January 16 1984

Terry Byland on Wall Street

Oil groups find riches in backyard

ONE of the few solid spots in a shifting marketplace over the past month has been the oil share sector, where turnover has been consistently high and some, if not all, stock prices have been moving higher.

Three separate blocks of 1m Texaco stock changed hands last week and other active issues ranged from Exxon, the industry's world heavyweight, to Unocal, the Californian oil group which has just been elected to the club of bid prospects.

But the overall activity in the oil stocks has to a degree masked the continuing uncertainties underlying the sector. Setting aside the takeover features that have held the centre of the stage, stocks in the main groups have barely held pace with the market over the past month.

Exxon and Standard Oil of Ohio, to take only two of the well known names, are still trading around the levels recorded in mid-December. The sector trades at around seven or eight times earnings, compared with about 11 times for the Standard and Poor's 500 stock index, so investors are evidently not expecting great things in the short term.

Indeed, the expectation that world oil prices will remain low is one of the chief props beneath the confidence of the stock market. The coup in Nigeria has cast fresh doubts over Opec members' ability to stand together or to resist price-cutting pressures.

Company	Market cap ($m)	U.S. res./production/ratio
Dyco Pet	124.8	5.2
Felmont	227.7	8.6
Lear Pet	203.4	4.2
Sabine Corp	305.4	6.1
Louisiana L	941.7	4.6

But just as the industry used to claim that oil exploration always continued, whatever happened to prices at the wellhead, the stock market now seems to be saying that reserves, safely at home in the U.S., will always be the investor's best friend.

The heavy turnover in Texaco since its apparently successful acquisition of the Getty Oil reserves, albeit at the highest takeover price on record, suggests that the institutions will applaud moves by the U.S. majors to expand their holdings of U.S. oil and gas reserves.

However, the high cost of playing this game – not even the Seven Sisters can hand out $10bn without blinking – may be one reason why stock gains have been in the potential bid targets rather than in the prospective bidders, which would have to pay the pipers.

The excitement of the Getty deal has drawn attention to the host of relatively small U.S. exploration and production companies. It has arrested and sometimes reversed a slide in stock prices that reflected uncertainty at Opec and lower world crude prices.

The Rotan Mosle energy division of Paine Webber Mitchell Hutchins reports a fall of 12 per cent last year in the stock prices of 29 domestic exploration and production groups which it tracks. But a number of the stocks began to recover at the end of last year when the Getty deal unfolded, and have made further ground since, as investors have taken note of the U.S. reserves of oil and gas owned by particular companies.

The outstanding feature, not surprisingly, has been Superior Oil, although that stock had already gained 29 per cent by the end of the year and may have to wait for a bid before making fresh ground.

Petro-Lewis has also outperformed the sector over the past month, but the board's comment at mid-week that discussions now under way might take some time to reach fruition may take some of the bounce out of the share price.

Louisiana Land, with a 71 per cent gain in the stock price last year, has been another takeover favourite.

One point to watch, according to Rotan Mosle, is that stock prices of these smaller domestic energy companies have shown themselves to be closely linked to the fortunes of Opec.

It is likely that the low level of the stocks at present masks their potential for recovery if Opec recovers the price initiative again.

The trend of the past six months has clearly been for stock prices to reflect the values placed on reserves rather than on earnings potential.

More significantly, earnings were rising steadily in the second six months of the year, but that was not reflected in stock prices, which only turned higher after the Superior Oil and Getty deals had sparked off awareness of the importance of U.S. reserves.

Arafat bids to restore relations with Hussein

BY ROGER MATTHEWS IN AMMAN

MR YASSIR ARAFAT, chairman of the Palestine Liberation Organisation, is making moves to restore relations with King Hussein of Jordan and to co-ordinate progress towards a Middle East peace settlement.

A senior PLO official said yesterday that he expected Mr Arafat to visit Jordan later this week, "to break the ice in his relations with King Hussein" caused by their failure last April to agree on a joint response to U.S. President Ronald Reagan's peace proposals.

Mr Arafat has also decided that his number two and principal military aid in Al Fatah, the main PLO guerrilla faction, should take up virtually permanent residence in Amman. Mr Khalil al-Wazir, better known by his code name Abu Jihad, arrived there on Saturday.

Abu Jihad is to see King Hussein before Mr Arafat's arrival, and together with Mr Hanial Hassan, one of the founder members of Al Fatah will co-ordinate future policy.

A PLO official said: "This is the strongest presence Fatah will have had in Jordan for 14 years, and will be a key factor in ensuring closer contacts with the Palestinian people living on the West Bank and Gaza."

Abu Jihad, would say only that he had come to Amman to discuss "the situation surrounding the struggle of the people on the Israeli-occupied West Bank."

Mr Arafat may have preliminary discussions today with Crown Prince Hassan of Jordan in Rabat, where both men will be attending the summit meeting of Islamic nations.

PLO members in Amman believe that the timing of Mr Arafat's visit reflects both his success in re-establishing his ascendancy over Fatah, and the decision by King Hussein to recall the Jordanian parliament, half of whose members come from the West Bank.

Although Mr Arafat faced criticism last week during meetings of Fatah because of his unilateral decision to visit Egypt, he appears to have consolidated his position in the organisation.

"He was only reprimanded because of the way he did it, not because of the political decision to do it," said a PLO official. "Fatah is trying to clip his wings administratively, but they are still having to let him fly politically."

Mr Arafat is said to be anxious to discuss long-term strategy with King Hussein, and his aides warned yesterday against expecting any immediate breakthrough.

It was thought unlikely that this meeting – at which the most implacable opponents of Mr Arafat would be represented – could be held much before the end of February.

Shelling closes Beirut airport as Lebanon fighting flares

BY NORA BOUSTANY IN BEIRUT AND PATRICK COCKBURN IN LONDON

BEIRUT airport was closed by shelling yesterday, and U.S. naval vessels off the coast opened fire against gun positions in the hills overlooking the Lebanese capital in a sudden escalation of violence.

The airport, on the southern fringes of Beirut, was closed after a fuel depot belonging to the U.S. marines stationed nearby was set on fire by artillery and mortar shells.

The escalation in the fighting underlines the failure of the Lebanese Government to get a new security plan agreed. Senior officials in Washington said yesterday Syria had sabotaged the new scheme, because the Syrians believe the U.S. marines and the multinational force will inevitably be withdrawn.

The security plan originally envisaged a disengagement of opposing forces in Lebanon to allow the U.S. marines to move to safer positions or withdraw to the ships offshore.

The last time the U.S. warships were in action was almost a month ago. There are believed to be 400 artillery pieces in the hills around Beirut, almost all of them manned by Druze militiamen or Syrian soldiers.

The closure of the airport is likely to be only temporary, the chairman of Middle East Airlines (MEA) Mr Salim Salam, said yesterday. Because of the security situation the aiport is used by few international carriers apart from MEA.

Washington had hoped that the 34,000-strong Lebanese army could be used to take over positions held by the marines under a comprehensive new security pact, but the shelling yesterday implies that the diplomatic stalemate will continue.

David Lennon writes from Tel Aviv: The future control of the Israeli-backed Christian militia in southern Lebanon has been thrown into doubt by the death of its commander, Major Saad Haddad, 47, at the weekend.

Israel and Lebanon have been unable to agree on a successor, despite prolonged discussions since Major Haddad became seriously ill with cancer three months ago. Israel hopes that informal talks at his funeral today may produce progress on selecting a successor.

The 1,000-strong militia, trained and equipped by Israel, served as a buffer force between Israel and the PLO forces in southern Lebanon before the Israeli invasion in June, 1982.

It was commanded by the controversial Major Haddad, a regular Lebanese army officer who was sent south in 1976, and who was later denounced by Beirut as a traitor because of his close links with Israel.

Under the terms of the peace agreement worked out between Israel and Lebanon in May last year, Major Haddad's militia was to be integrated into a southern Lebanese territorial force.

That agreement has never been ratified by Lebanese President Amin Gemayel, however, and the territorial force has not come into being. Israel believes that the death of Major Haddad now presents the Lebanese president with an opportunity to extend his control to the south

Israeli inflation at record 190%

BY DAVID LENNON IN TEL AVIV

ISRAEL'S inflation climbed to a record 190.7 per cent in 1983, deepening the country's economic crisis and spawning a spate of strikes by civil servants demanding compensation for the erosion of their wages.

All government services were shut down for two hours yesterday as the staff held warning strikes in protest over government delays in negotiating wage increases.

This followed weeks of disruption by civil servants, who claimed that their salaries have been eroded by 33 per cent by the soaring inflation of the last quarter of 1983. The Histadrut trade union federation has threatened to call a national strike if no agreement is reached soon.

The central bureau of statistics announced yesterday that the cost of living index rose by 11.6 per cent in December, bringing the annual inflation rate to 190.7 per cent, compared to 131.5 per cent in 1982.

With the introduction of a new austerity programme in the last quarter of the year, inflation accelerated sharply to 55 per cent in the period October-December.

This was the result of a 23 per cent devaluation of the shekel in October, followed by daily depreciation of the shekel and cuts in government subsidies to basic commodities.

The Histadrut demanded that in future compensation for inflation be paid to wage earners monthly rather than quarterly whenever prices rise by more than 10 per cent in a single month.

The Finance Minister, Mr Yigal Cohen-Orgad, who has made the battle to reduce the balance of payments deficit his primary target, believes that inflation will gradually decline during 1984 to a monthly rate of about 6 per cent as his austerity measures bring down the standard of living.

However, his hopes to win Cabinet approval for cuts in the 1984-85 budget were not realised yesterday as the debate had to be postponed because of continuing disagreements with the defence and education ministers over the size of the budget cuts.

'New relationship' offer to Moscow

Continued from Page 1

the terms of the Nato "dual track" decision of December 1979.

The Soviet newspaper, Socialist Industry, meanwhile hinted strongly during the weekend that Soviet tactics at the Stockholm conference would be to continue the longstanding policy of seeking to divide the U.S. from its Nato partners in Europe. It condemned President Reagan's speech in advance as "just a campaign ploy to convince U.S. voters that the President is not fanning up tensions."

It also warned that the forthcoming meeting between Mr Shultz and Mr Gromyko "could in no way replace" the Geneva talks whose breakdown the Soviet Union blames on the West.

"The chances of the Stockholm meeting will depend in the first place on whether the Nato countries, and above all the states of Western Europe, are ready to withdraw from the policy of confrontation with the countries of the socialist camp which is forced upon them by the U.S." Socialist Industry added in a commentary which strongly hints at continuing Soviet efforts at Geneva to divide the Western alliance.

Meanwhile in London, Mr Shultz began the week of intense East-West diplomatic contacts ahead by discussing with British leaders the Nato approach to the CDE conference, as well as the Middle East and other foreign policy issues.

The first call in Mr Schultz's crowded programme came with an hour-long meeting with Lord Carrington, who is due to take up his new position as Nato Secretary-General later this year. He then held a "relaxed and informal tête-à-tête" lasting 80 minutes with Sir Geoffrey Howe, the Foreign Secretary, followed by a working lunch between the two men with officials also present.

Sir Geoffrey briefed Mr Shultz on his recent trip to the Middle East. The discussion on Arab-Israeli relations and the situation in Lebanon was followed by a broad review of East-West relations and prospects for the Stockholm conference.

East-West relations also dominated a subsequent meeting with Mrs Margaret Thatcher, the Prime Minister, at Downing Street.

Nigeria plans trade debt talks in Europe

By Tony Hawkins in Lagos

A TEAM of senior Nigerian officials is due to fly to Europe next weekend to resume negotiations with export credit agencies over the refinancing of the backlog in payments on open account trade, estimated at $5.5bn.

Representatives of Nigeria's troika of financial advisers, S. G. Warburg, Kuhn Loeb, Lehman Brothers and Lazard Freres, were in Lagos for discussions last week. Further talks are scheduled to be held with different European agencies next week.

There is some resentment in Lagos business circles at what businessmen see as the discriminatory treatment being suggested for this open account payments backlog. Some importers are sharply critical of what they regard as a less favourable package than that obtained by the banks in the two refinancing agreements of July and September last year.

The importers complain that they are not being offered interest on overdue payments, that the grace period of 2½ years before repayments start is far longer than the grace period of a few months in the letters of credit refinancings, and that the interest during the life of the proposed six-year promissory notes of 1 per cent above London interbank offered rate (Libor) is less than 1.5 per cent above Libor obtained by the banks.

Some importers are complaining that they are being required to bear the devaluation risk on overdue payments. Nigerian officials deny this, saying the package on offer assumes payment at exchange rates ruling at the end of December 1983.

The officials say the package is not unattractive since importers and foreign companies with overdue payments on inter-company transactions will, if they accept the terms, be converting a commercial risk into a federally guaranteed loan.

Nigeria is due to make a $1.05bn principal repayment this week of one of the two jumbo Eurocurrency loans raised in 1978. In his budget delivered just two days before last month's military coup, former President Shehu Shagari estimated Nigeria would have a debt-service obligation of 3m naira ($4bn) in 1984. IMF figures show that this year Nigeria will have to find nearly $1.5bn to fund principal repayments on its medium and long-term debt and a further $930m of interest.

On top of these amounts Nigeria will need to find more than $850m – according to the fund – to service the rescheduling of confirmed letters of credit agreed last year. A further charge on the balance of payments in 1984 will result from the current talks on refinancing the arrears on open account trade.

The new head of state, Major-General Buhari, reiterated last week his Government's intention to continue the negotiations with the IMF started by the Shagari administration. Officials in Lagos say such talks will be resumed after General Buhari has appointed a new finance minister.

Slower growth in U.S. forecast

Continued from Page 1

this year and for several years to come, if no action is taken.

It cites prospects of sizeable government deficits, high nominal and real interest rates and "a strong dollar which seems incompatible with a sustainable balance of payments position" as a combination of forces which might mean that the economic upswing will "prove shorter-lived than has been the usual U.S. experience."

The report also highlights the importance of a weak export performance as an important factor that might continue to curb economic expansion.

THE LEX COLUMN

New gloss on the profit and loss

A flood of increasingly sumptuous annual reports must be putting across to even the most imperceptive shareholder that companies are feeling rather pleased with life these days.

The austerity of only a year ago has been giving way before rapidly improving profits, so that far more reports now come festooned with colour photography than appear to be printed on edible rice paper.

There is also a welcome trend to improve the quality and quantity of the information which reports contain.

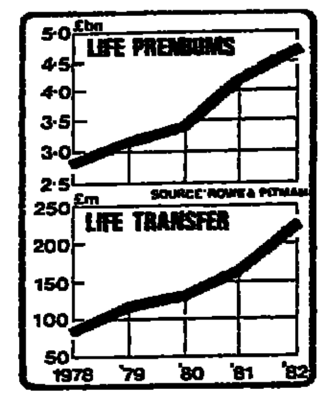
This is as its should be, for the annual report is still the linchpin of a company's communication with its shareholders and with the financial world at large. Moreover, the production of a report and accounts is not merely expensive – BOC's report published today cost about £1.50 a copy – but time-consuming and exhausting. It is no accident that decides when the average finance director goes on holiday.

Yet there are many reports, including some of the most lavish productions, which read more like a set of clues to some financial acrostic than an account of how things stand with the reporting company – an outcome which suggests a degree of confusion as to what end all the effort is meant to achieve.

The pressures for increased disclosure, however, including those articulated in the 1981 Companies Act and the Stock Exchange listing requirements, provide a fairly clear indication of what is wanted. The accounts, and accompanying reports, should ideally be set out in a way which shows off the structure of the business. A reader from outside the boardroom should be given a reasonable chance of forming a judgment not just of the company's financial state but of what it is doing and how well it is being run.

For the investment analyst, the more figures the better – even if there are a few companies, such as Unilever, whose willingness to supply statistics has courted churlish complaints of numerical overkill. But in general the disclosures which analysts would like to see are so rudimentary that it is hard to understand why companies are shy of making them.

Better segmental information is the analyst's most basic need, the amount of divisional and geographical detail which British companies are prepared to let slip is too often



far short of North American standards. Despite worries that the information may be misused, the minimum which ought to be considered acceptable is to give a matrix of sales, profit and capital employed by activity and by location. In its latest survey the Institute of Chartered Accountants found that only 20 companies did so.

Even BOC, whose last two annual reports have won the Society of Investment Analysts' annual prize, gaining a special pat on the back for meaningfully segmented data, holds back from giving a full breakdown for capital employed or profit. It is not directly possible, for instance, to compare BOC's returns on industrial gases across different markets.

Again, it would seem reasonable to ask for a full display of group borrowings, specified by currency, maturity and coupon – here BOC is exemplary. The 1981 Companies Act pushes some way in this direction, by forcing companies to divide the liability side of balance sheets into items falling due in more or less than 12 months. It has however, jumbled a few issues by lumping together formerly disparate items under the heading of "creditors." Some companies have compounded the confusion by showing tax and social security payments due in the current year as a single item – which does not then cross-check with the normal tax-paid line in cash flow statements.

It would be good, too, if companies were to achieve some uniformity in the way they report their flow of funds. As disillusion with current cost accounts has deepened, cash flow remains a litmus test for the capacity of a business to finance itself in a regular way – and to go on pumping out dividends.

There is something at bottom paradoxical about the equity analysts' demand for more disclosure. For the professional analyst must make his living on the assumption that it is possible to exploit company information before it becomes fully discounted in the share price, but every new disclosure removes such an opportunity.

Cynics would claim that increased information in annual reports only prevents those who have not done their homework – or paid for expensive research – from receiving unpleasant shocks. That argument is the best recommendation for more disclosure.

Miras

Miras, the new-style method of crediting tax relief on mortgage interest, may have brought headaches to building societies and confusion to borrowers. But it is all smiles at the traditional life companies as their new business figures swell with sales of the low-cost endowments used to repay mortgages.

The industry as a whole has seen premium income from this source more than treble to around £245m in 1983. In some instances, the growth has been far more dramatic even than that. The Prudential, for example, saw no growth in traditional contracts last year, while new annual premiums from mortgage-related contracts leapt from £1.4m to £23m.

For the shareholders in life and composite insurance companies, the dividend benefit of this increased business volume will be almost immediate. The new with-profit contracts will have received a bonus allocation at the end of 1983, even though the policies themselves will not wash their faces for a couple of years.

The cost of paying these bonuses is met by a transfer from the company's reserves and shareholders are entitled to their cut, commonly one ninth of the surplus allotted to policyholders. The shareholder receives his portion of the distribution in the form of a cash transfer through the profit-and-loss account.

Insurance companies are wary of revealing the effect of Miras on shareholders' profits ahead of their interim statements. Royal Life has, however, given shareholders a pointer to the likely dividend increase by stating that its bonus declarations have risen by a third.

World Weather

		°C	°F			°C	°F			°C	°F			°C	°F
Ajaccio	S	14	57	Dubrovnik	C	11	52	Malaga	S	17	63	Salzburg	F	5	41
Akrotiri	S	17	63	Faro	C	16	61	Malta	S	16	61	Seoul	S	-6	21
Algiers	S	17	63	Florence	F	16	61	Manila	C	21	70	Singapore	-	—	—
Amsterdam	F	3	37	Frankfurt	C	4	39	Miami	C	15	59	Stockholm	S	-2	28
Athens	S	14	57	Funchal	C	16	61	Milan	S	9	48	Strasbourg	F	6	43
Bahrain	S	19	66	Geneva	Sn	6	43	Moscow	Sn	-4	25	Sydney	R	21	70
Bangkok	-	—	—	Gibraltar	S	17	63	Munich	F	4	39	Taipei	-	—	—
Barcelona	S	15	59	Guernsey	C	6	43	Nairobi	F	26	79	Tangier	C	15	59
Beirut	F	17	63	Helsinki	Sn	0	32	Naples	C	14	57	Tehran	-	—	—
Belgrade	R	2	36	H. Kong	F	22	72	New Delhi	S	18	64	Tel Aviv	C	17	63
Berlin	S	4	39	Innsbruck	C	4	39	New York	F	-4	25	Tenerife	F	20	68
Biarritz	C	10	50	Inverness	Sn	0	32	Nice	S	16	61	Tokyo	S	14	57
Blackpool	F	3	37	Istanbul	S	9	48	Oporto	C	12	54	Toronto	C	-24	-11
Bordeaux	R	9	48	Jersey	R	5	41	Oslo	S	-5	23	Tunis	S	18	64
Brussels	C	3	37	Jo'burg	F	22	72	Paris	F	6	43	Valencia	S	16	61
Budapest	Fg	6	43	Las Palmas	C	20	68	Prague	Sn	2	36	Venice	S	6	43
B. Aires	C	20	68	Lima	C	20	68	Reykjavik	F	-10	14	Vienna	F	7	45
Cairo	R	14	57	Lisbon	R	11	52	Rio de J'o	C	22	72	Warsaw	C	2	36
Cape Town	S	28	82	Locarno	C	5	41	Rome	F	15	59	Zurich	C	4	39
Caracas	-	—	—	London	S	5	41								
Casablanca	C	15	59	Los Angeles	F	9	48								
Copenhagen	S	3	37	Luxembourg	C	2	36								
Corfu	F	13	55	Madrid	F	7	45								
Dublin	S	1	34	Majorca	S	17	63								

Readings at mid-day yesterday:

C–Cloudy D–Drizzle F–Fair Fg–Fog H–Hail R–Rain S–Sun Sl–Sleet Sn–Snow T–Thunder

UK public spending

Continued from Page 1

ened and an additional £500m sale of assets was announced.

The report says it is not easy to tell why spending has been higher than expected, but suggests that departments have spent the full amount of their budgets instead of underspending as had originally been estimated. In addition, the estimate for interest payments on the national debt has been revised upwards by £500m.

Mr Ward has also adjusted the official figures to compensete for some accounting effects resulting from changes to the national insurance surcharge and the administration of sickness and housing benefits.

If all these factors are taken into account, Mr Ward estimates that the planning total for public expenditure in 1982-83 grew 2 per cent compared with the estimate of 1 per cent at the time of the budget.

However, if the sales of state assets are excluded, which, he argues they should be, he calculates the growth rate in 1982-83 (compared with the previous financial year) was almost 3 per cent and the rise in the current year would be 2 per cent.

Published by The Financial Times (Europe) Ltd., Frankfurt Branch, represented by G.T.S. Damer, Frankfurt/Main, K. Barlow, R.A.F. McClean, M.C. Gorman, D.E.P. Palmer, London, as members of the Board of Directors. Printer: Frankfurter Societäts-Druckerei GmbH, Frankfurt/Main. Responsible editor: C.E.P. Smith, Frankfurt/Main. © The Financial Times Ltd, 1984.

SECTION II – COMPANIES AND MARKETS
FINANCIAL TIMES
Monday January 16 1984

INTERNATIONAL CREDITS

Hopes of rapid revival in market are dashed

BY PETER MONTAGNON IN LONDON

THERE WAS a lot of wishful thinking in the Eurocredit market last week as banks began to scan the horizon for the first big new deals of 1984

As usual in the quiet period at the start of any year rumours of prospective borrowings abounded. Yet on Friday hopes of an immediate New York revival of the Eurocredit market were dashed as, one by one, officials in Paris, Rome and Copenhagen rebutted market talk of the imminent launch of large new credits.

Admittedly some of these rumours were not entirely without foundation. Denmark, for example, is now looking closely at the floating rate note market because it feels that rates there are cheap enough to make it worth launching an issue to prepay existing dollar debt carrying margins of ½ per cent or more.

But this means that would-be lenders in the Eurocredit market face an even tougher struggle in pricing new business out of the reluctant Danes. Besides, Denmark's gross new borrowing requirement in 1984 is small, at just over $1bn, and theoretically the amount is already fully covered by undrawn Eurocredits of $1.6bn.

Similarly, a wave of gossip centred on Italy because of last month's legislation allowing the Government to borrow for the first time in the name of the republic, thus bypassing the state-owned agencies which have traditionally been used as a channel for capital imports. The republic would be an attractive name for many banks because of its rarity value.

Some also argue that a large loan from the republic itself would be an elegant way of relaunching Italy's foreign borrowing programme in the event of a solution to the lengthy legal disputes over Banco Ambrosiano. Unsatisfied Ambrosiano creditors have been boycotting Italian business for more than a year.

Bank of Italy officials deny, however, that any such borrowing is planned. Italy's gross medium-term borrowing needs in 1984 are expected to be relatively small at around $3.5bn, so there is not much need for a jumbo loan; nor, the officials say, is Italy planning a yen credit despite offers of such a deal from Japanese banks.

The change in legislation is thus viewed as a precautionary measure which would allow the republic to tap the loan market in its own name, if and when a need or opportunity arose at some time in the future.

So by the end of the week the Eurocredit market was still left with little to get its teeth into, except for previously announced deals such as the Ecu 250m loan for the state-owned Italian energy group, Ente Nazionale Idrocarburi (ENI).

Also coming to the market shortly is a $200m 10-year project financing for the Ok Tedi mining venture in Papua New Guinea, to be led by BA Asia, while Qatar is still negotiating terms of the $100m credit it is to seek for its petrochemicals company.

Texaco is meanwhile assembling an $8bn credit to finance its purchase of Getty Oil, although this deal, which is being put together by the company itself, is hardly a conventional Eurocredit.

The ENI deal, though a tiddler by comparison, is probably more of a test for the syndicated loan market itself. A formal mandate is expected to be awarded early this week to Morgan Guaranty, Istituto Bancario San Paolo di Torino, Bank of Tokyo and Banque Indosuez. The loan will be divided into a five-year tranche of Ecu 100m and an eight-year tranche of Ecu 150m, with margins starting at ½ per cent and rising later to ⅝ per cent.

As expected, Brazil has postponed until next week the signing of its $6.5bn loan to which contributions are hovering around the $6.4bn mark. Leading bank creditors are still adamant that all the country's creditor banks must join the operation, however small their contributions, before it is signed. This will obviously take some more time, but the official reason for the delay is that some banks which are committed to the loan want more time to study the fine print in the legal contract.

INTERNATIONAL BONDS

Investors care more about names than yields

BY MARY ANN SIEGHART IN LONDON

INVESTORS in the Eurobond market have almost ceased to care about the yield they receive on their bonds. What they want is a good name, preferably with a short maturity.

Last week, for instance, a $100m, six-year, 11⅝ per cent deal for Nippon Telephone and Telegraph traded for a short time at a premium over its par price, giving a yield of around 11.3 per cent. Because the issue was guaranteed by the Government of Japan and therefore qualified as "Japan Inc.," demand was huge.

By contrast, a $100m, seven-year, 12 per cent bond priced a 99 for Beneficial Finance was trading at a price of 96¾ on Friday to yield 12.73 per cent.

These are obviously at two extremes of the credit scale – a single-A finance company compared with a top triple-A government. But does this justify a 143 basis point difference in yield?

The same phenomenon has occurred in the D-Mark sector. On Thursday, R.J. Reynolds, the U.S. tobacco conglomerate, got away with a 7⅜ per cent coupon for a DM 125m, 10-year bond. Investors could not buy enough – it too traded at a ¼–½ per cent premium, yielding just 7.32 per cent.

Michelin Finance, on the other hand, had to pay 8¼ per cent on a DM 100m bond with a life of only five years. On Friday it was yielding 8.38 per cent. Spain had to cancel its issue altogether.

The inference must be that investors are not short of money; they are very selective. Only borrowers with the right names will be successful in such market conditions.

The problem is to persuade these sought-after borrowers – primarily top quality U.S. corporations – to tap the market. The Eurodollar bond market is highly competitive with the U.S. domestic market; such a borrower could pay less over here than the Treasury does in New York.

BHF Bank bond average		
Jan 13		Previous
98.084		98.077
High	1983/84	Low
102.017		97.899

However, many corporate treasurers still expect rates to fall and feel that current absolute levels are too high. Many companies are cash-rich, and can borrow short-term money cheaply in the commercial paper market.

Straight bonds have started to overtake floating rate notes again in terms of new issue volume. However, two jumbo floaters are rumoured to appear this week, probably from Denmark and Malaysia.

New issue activity in straight bonds should also continue to be strong this week. Friday saw the long U.S. Treasury bond rise by over a point in reaction to statistics showing that U.S. retail sales, industrial production and wholesale prices were all lower than expected in December. The secondary Eurodollar bond market picked up too, with prices rising by around ½ point.

The $500m rise in the U.S. M1 measure of money supply, reported on Friday night, was slightly larger than expected, though not seriously so. Providing the right borrowers tap the market, their issues should do well in this environment.

In the Swiss primary market last week, Mitsubishi Electric's SwFr 200m convertible private placement was given a coupon of just 2 per cent – the lowest ever seen in that market.

The Republic of Austria became the first borrower since the Swiss National Bank relaxed its rules on public issues at the end of last month to launch a public bond of over SwFr 100m. Its 10-year deal will raise a minimum of SwFr 150m.

Secondary markets in both Switzerland and Germany were relatively quiet, with prices edging up only marginally.

● Euro-clear, the clearing system for international securities, has announced record turnover for the fiscal year to November 30 1983. It rose from $509. 7bn to $603.7bn. The value of securities held in the system increased from $92bn to $120.5bn.

CURRENT INTERNATIONAL BOND ISSUES

Borrowers	Amount m.	Maturity	Av. life years	Coupon %	Price	Lead Manager	Offer yield %
U.S. DOLLARS							
Murata Mfg. §	100	1991	15	4	100	Nomura Intl.	*
Den norske Creditbk. ¶‡	50	1991	7	11¾	100	SG Warburg, Bkrs. Tst.	11.750
EIB ‡	150	1999	15	11⅝	99½	Nikko Secs.	11.697
Sumitomo Tst. & Bkng. †(a)‡	100	1994	10	⅛	100	CSFB, Sumitomo Tst. Intl.	–
Beneficial Ovs. Fin. ‡	100	1991	7	12	99	CSFB	12.221
Renown Inc. ¶	40	1989	5	6¼	100	Daiwa Europe, Robt. Fleming, Nikko Secs.	*
Nissho Iwai ¶	70	1989	5	6½	100	Nomura Intl., Baring Bros., Deutsche, Mgn. Stanley, Yamaichi Intl.	*
Nippon Tel. & Tel. ‡	100	1990	6	11⅝	100	Paribas, IBJ Intl.	11.375
BC Hydro ††‡	200	2014	30	12½	98.84	Lehman Bros.	12.651
Computer Products §	20	1999	15	7/7¼	100	Shearson/AmEx, Robinson Humphrey/Amex, Mgn. Grenfell, Paribas	*
Aegon Insurance ¶‡	50	1991	7	11⅞	100	Mgn. Gty., Amro Intl., Mgn. Stanley	11.875
D-MARK							
EEC ‡	200	1992	8	8	99	Deutsche Bank	8.175
Michelin Fin. **‡	100	1989	5	8¼	100	Commerzbank	8.250
R. J. Reynolds ‡	125	1994	10	7⅜	100	Deutsche Bank	7.375
SWISS FRANCS							
Mitsubishi Electric **§‡	200	1989	–	2	100	UBS	2.000
Kyowa Hakko **§‡	100	1989	–	2⅜	100	UBS	2.375
Koogo Finance §	35	1992	–	5¼	100	Bque. Gutzwiller Kurz Bungener	*
News Corpn. ‡	100∅	1994	–	6¼	100	Soditic, Nordfinanz-Bk. Zurich/Kredietbank (Suisse)	6.250
NYK Line ‡	100	1992	–	5¾	99¼	CS	5.870
Ushio Inc. **§‡	80	1989	–	2⅜	100	SBC	2.375

Borrowers	Amount m.	Maturity	Av. life years	Coupon %	Price	Lead Manager	Offer yield %
Japan Medical Supply **§‡	40	1989	–	2⅜	100	Citicorp Bk. (Switz)	2.375
Japan Devt. Bk. ‡	100	1994	–	5½	100	SBC	5.500
Asian Devt. Bk. ‡	100	1994	–	6	99½	SBC	6.068
Cia Sevillana de Elec. **‡	50	1989	–	7	100	UBS	7.000
EIB **‡	150	1991	–	5¾	100	UBS	5.750
Nippon Express	100	1994	–	5⅞/6	*	J. Henry Schroder Bk.	*
Sanyo Denki **§	40	1988	–	2⅝	100	SBC	*
Sord Computers **	20	1989	–	6	*	CS	*
Sumitomo Corpn. **§	50	1989	–	2½	100	SBC	*
Rep. of Austria	150∅	1994	–	*	*	UBS	5.500
STERLING							
EEC ‡	50	1994	10	11⅝	99½	Hambros, Kleinwort Benson, SG Warburg	11.462
GUILDERS							
ISEC **‡	100	1989	5	8½	100	Amro Bank, ABN	8.500
LUX. FRANCS							
Electrolux ‡	500	1989	5	10	100	Bque. Gen. du Lux	10.000
Swedish Exp. Credit **‡	250	1989	5	10⅞	100	Bque. Gen. du Lux.	10.875
ECUs							
West LB‡	50	1991	7	10⅞	100	West LB, Kredietbank Intl., Chase Manhattan	10.875
EIB ‡	50	1996	12	11¼	100	Soc. Gen. de Bque., Banca Com. Ital., Istit. Bancario San Paolo di Torino, Banco di Roma, Banca Naz. del Lavoro	11.250
YEN							
World Bank ‡	20bn	1996	10.32	7.5	99.55	Nomura Secs.	7.701

* Not yet priced. ‡ Final terms. ** Placement. § Convertible. † Floating rate note: coupon is spread over 6-month Libor. (a) Spread over mean of 6-month bid & offered rate. ∅ Minimum. ¶ With warrants. †† Registered with U.S. S.E.C. Note: Yields are calculated on AIBD basis.

INTERNATIONAL CAPITAL MARKETS AND COMPANIES

U.S BONDS

Worse than expected economic indicators prompt sharp rally

FOR THE first four days of last week the U.S. credit markets appeared to be in a trance as they awaited the release of a batch of economic indicators at the week's end. Would Friday the 13th live up to its reputation?

It did not. The economic news, when it finally came, was soothing music to the credit markets' ears. The December increases in U.S. producer prices, industrial production, and retail sales were all less than expected, which triggered off a sharp rally in bond prices on Friday.

Prices of government bonds jumped by almost 1½ points and the bellwether Treasury 12 per cent, due 2013, ended the week at 102⅞, roughly 1¾ points higher. The yield dropped 22 basis points to 11.63. Meanwhile, the Treasury 11¾ per cent, due 1993, rose by 1⅟₃₂ and its yield slipped to 11.55 per cent.

The release of the weekly money supply figures late on Friday afternoon, which showed a $500m increase in M1 when the market had been expecting a decline of that magnitude, knocked some of the enthusiasm out of the rally. Nevertheless, dealers headed for home considerably more confident than when they had started the week.

The latest economic indicators seem to support at first sight the administration's argument that the economy is slowing down and inflation remains under control, while fears that U.S. interest rates might be forced up to choke off the over rapid economic expansion, are fast receding.

At the short end of the money markets, the Fed funds rate appeared to be settling back down into the 9.25 per cent to 9.5 per cent range, following its year-end antics when forecasting errors by the Federal Reserve Board resulted in a Fed funds rate which had touched 11.5 per cent at one stage early in the new year.

The stabilisation of the Fed funds rate eased the upward pressure on other short-term rates. At the weekly Treasury bill auction, the rates on three-month paper fell by 12 basis points to 8.92 per cent and on six-month paper by 9 basis points to 9.10 per cent.

By the end of the week, the yield on three-month treasury bills had fallen by 20 basis points to 8.72 per cent, its lowest level for several weeks. The Federal Reserve was actively injecting funds into the market last week to relieve the shortages, and this helped bond prices.

The improved tone in the government bond market was mirrored in the corporate bond market, where prices rose by up to 1¾ points and new issue volume picked up, with some $1bn of new paper being brought to the market.

J. C. Penney raised $150m with a nine-year note issue carrying a 12.125 per cent coupon and issued at par. Wells Fargo raised $50m through a note due 1987 and carrying a 11.4 per cent coupon. It was also issued at par, as was a slightly longer note issue, due 1988, for another financial organisation, Associates Corporation of North America, which carried a 11.75 per cent yield.

Although activity in the corporate sector has been running at low levels in recent months, the latest figures from Salomon Brothers show that 1983 was a record year for new issues. Some $38.5bn was raised, of which $21.5bn had a maturity of over 10 years.

The bulk of the activity took place in the first four months of the year; the average monthly volume actually fell by almost 60 per cent in the last seven months.

William Hall

U.S. INTEREST RATES (%)

	Week to Jan 13	Week to Jan 6
Fed funds weekly average	9.53	10.06
3-month CDs	9.25	9.45
3-month T-bills	8.73	8.90
30-year Treasury bond	11.78	11.82
AAA Utility	12.50	12.63
AA Industrial	12.25	12.50

Source: Salomon Bros (estimates).

In the week ended January 4 M1 rose by $500m to $522bn.

Executives quit Morgan to join Amex 'boutique'

BY WILLIAM HALL IN NEW YORK

MORGAN GUARANTY, one of the leading portfolio managers of U.S. institutional money overseas, has lost five key members of its London investment management team. They have joined American Express as the nucleus of a new investment "boutique" which will handle institutional and private clients' funds on a worldwide basis.

Mr Karl Van Horn, who headed Morgan Guaranty's international institutional investment team in London, has been appointed chief executive of American Express Asset Management Holdings, a wholly-owned subsidiary of American Express, which will spearhead the group's efforts to become a leading international manager of institutional and private funds.

He has been joined by Mr Herschel Post,; Mr Bernard Rattray; Mr Chilton Thomson; and Mr Mark Tapley. The venture will have offices in London and on the continent.

There has been a growing trend in the U.S. recently for institutional investors to place their funds with "boutiques" rather than large and vertically integrated investment management companies. Typically the new companies consist of a handful of professionals working with minimal overheads with an emphasis on outperforming the market.

Satellite Business Systems chief replaced

BY OUR FINANCIAL STAFF

SATELLITE Business Systems, the U.S. satellite-based telecommunications company, owned jointly by IBM, Comsat, and Aetna Life and Casualty, has replaced its president and announced a cost-cutting programme that will involve some job reductions.

A joint statement from the three shareholders over the weekend said Mr Robert Hall would be replaced immediately as president and chief executive by Mr Stephen Shwarz, an IBM executive, as part of moves "to strength further the SBS management team during a period of rapid change and unsettled conditions in the communications market place." Mr Hall is to become chairman of the company.

SBS began offering a data communications service to corporate customers through its own satellite in March 1982, and has concluded mutual service contracts with telephone utilities in North America, Europe and Hong Kong.

However, the company has suffered disappointing financial returns, while, to add to its difficulties, Mr Rupert Murdoch, the Australian newspaper publisher, last month sued SBS to break a $75m, six-year lease on five satellite channels, shortly after postponing plans for a satellite-to-home television system.

Banks urge restructuring on Canadian fish group

By Robert Gibbens in Montreal

BANK OF NOVA SCOTIA and Royal Bank of Canada are putting pressure on National Sea Products, Canada's largest fishing and fish processing company, to come up with a restructuring proposal by February 9, or they may call their loans.

The company is believed to have total debts of about C$220m (U.S.$175m) and assets of C$40m. Each bank is owed about C$75m.

Tomorrow National Sea directors meet two groups which have offered restructuring plans. One comprises BNS and the federal government with a cash injection of C$90m, while the other includes the Jodrey family and the Nova Scotia provincial government.

There are indications that Royal Bank might be willing to assume the company's indebtedness to BNS and become its prime lender.

Industry experts expect a detailed restructuring proposal to emerge in the next month

GM sees further rise in European sales

BY KENNETH GOODING, MOTOR INDUSTRY CORRESPONDENT

GENERAL MOTORS aims to sell a record 1.2m Opel and Vauxhall cars in Western Europe during 1984, says Mr Ferdinand Beickler, chairman of Opel and a vice-president of GM.

He also reports that GM plans to continue investment in Europe at a high level and will spend about $1bn in 1984, roughly the same as in 1983.

GM's penetration of the European market increased from 9.6 per cent to a best-ever 11.1 per cent in 1983 (11.2 per cent when North American imports are added). Sales of Opel and Vauxhall cars reached 1.17m, up by 215,000 or 23 per cent, on 1982.

The top-selling models in Europe in 1983 were again the Opel Kadet/Vauxhall Astra, with 400,000 registrations, and the Opel Ascona/Vauxhall Cavalier with 350,000, between them equal to 65 per cent of the group's total volume.

Of GM's total capital expenditure this year, about DM 1bn ($355m) will be spent at the Opel plants in West Germany.

In addition, a two-year modernisation scheme is in progress at the General Motors Continental assembly facility at Antwerp, Belgium, costing BFr 4.5bn ($77.5m). Antwerp builds the Opel Kadett, Ascona, and Manta models, as well as some cars for Vauxhall.

Success for T-D Bank rights

Toronto - Dominion Bank's international C$243m (U.S.$ 194m) rights issue has been largely taken up by shareholders leaving a relatively small amount left for the foreign underwriting group, reports David Lascelles.

Kleinwort Benson, one of the group's leaders, says the issue was 93 per cent subscribed, leaving a "stick" of only 7 per cent. The group has been prepared to take up as much as $100m worth.

T-D shares have recently been trading around 16¼-17¼ against an underwriting price of 14¼. The issue was an unusual exercise in international distribution, designed to raise the foreign shareholding in T-D.

INTERNATIONAL APPOINTMENTS

Barclays Bank International posts

Mr Edward Hill, a deputy general manager, head office in London, has been appointed chief operating officer of BARCLAYS BANK INTERNATIONAL'S head office in North America. Mr Stanley Allen, assistant general manager of Barclays Bank International's UK regional office, has been appointed regional general manager in place of Mr John Rutter who has been appointed a deputy general manager. Mr John Bennett, formerly an assistant general manager, head office, has been appointed managing director of Barclays Bank of Zimbabwe. Mr Raymond Birdseye, branch director of a Barclays' Birmingham branch, has been appointed an executive vice-president, at Barclays Bank International's North American head office. Mr Alex Duma, a director of Barclays merchant bank, has also been appointed a director of the merchant banking division of Barclays Bank International, New York.

● Kenneth L. Wolfe and Dr Ogden C. Johnson have been named senior vice-presidents of HERSHEY FOODS CORP. Mr Wolfe will be responsible for finance - treasury, controller-accounting, tax and commodities. Mr Johnson will be responsible for science and technology, corporate law and government relations and three operating divisions: Friendly Ice Cream Corp, Cory Food Services Inc, and Hershey Canada Inc.

● Professor G. J. S. Govett has joined the board of DELTA GOLD N.L., Western Australia gold explorer. Professor Govett is an exploration geochemist of international renown and is president of the Australian Geoscience Council. He also heads the Department of Geology at the University of New South Wales.

● Mr Geoffrey C. Bible has been appointed executive vice-president at PHILIP MORRIS INTERNATIONAL. He will be responsible for the European, Middle East and African regions of Philip Morris International and Benson and Hedges Canada. He will be based in New York.

● Mr Peter Jeffs will be joining BRITISH AEROSPACE on March 1. He will be taking up a new appointment as executive vice-president, military affairs,

Mr Peter Jeffs to be executive vice-president military affairs, British Aerospace Inc.

within the Washington office of British Aerospace Inc. This appointment is to strengthen the British Aerospace presence in the U.S. and Mr Jeffs will be responsible for the management and promotion of British Aerospace's military business there.

●Mr Eugene L. Hofmann has been appointed chief executive of EXPANDED METAL CORPORATION INC, U.S. subsidiary of Expamet International.

● Mr Andrew Strachan, most recently deputy managing director and director of the offshore department, has been appointed assistant managing director of SMIT LLOYD, based in Rotterdam. Mr Andrew Stimson has been appointed general manager, offshore department, based in London. Mr Aart Broek is appointed offshore contracts manager, based in Aberdeen.

● Mr K. M. Dublon, vice-chairman of the corporate board of the NEDERLANDSE REASSURANTIE GROUP, has resigned. He will continue to be associated with the group as chairman of the board of the NRG London Reinsurance Co. Mr S. Boerhout, a member of the corporate board, will take over Mr Dublon's responsibility for all non-life reinsurance activities.

● Mr Edwin Somm has been promoted to the managing committee, Switzerland, of the Swiss-based engineering concern, BROWN BOVERI. Mr Fritz Eggimann has moved from the management of the Swiss fire-protection systems company, Cerberus, to head Swiss Brown Boveri's information and telecommunications systems division.

● HARRIS CORP has elected Mr Jon E. Cornell, senior vice-president in charge of its semiconductor sector. He was vice-president-group executive of the semiconductor products group. He joined Harris in 1968 having previously held posts with Boeing Co and Honeywell Inc.

● Mr John G. Medlin Jr, president and chief executive officer of The Wachovia Corp, has been elected a member of the board of directors of R. J. REYNOLDS INDUSTRIES INC, Winston-Salem, North Carolina.

● TEXACO INC has elected Mr Roland M. Routhier as a senior vice-president. The following assignments have also been made: Mr Elton G. Yates has been named president of Texaco Latin America/West Africa. Mr Robert M. Bischoff, president of Texaco Latin America/West Africa since 1980, has been named chairman of the division and will retire in July 1984. Mr C. Robert Black has been named president of Texaco Middle East/Far East, succeeding Mr Yates. Mr Peter I. Bijur has been named president of Texaco Oil Trading and Supply Co.

● Mr Tokuyuki Ono, director and general manager of SUMITOMO BANK, London, has been appointed director and general manager of Sumitomo Bank, New York. Mr Yoji Okabe, previously managing director of Sumitomo finance international, is his successor. Mr Eigo Kudo, former general manager of America's department in Tokyo, becomes general manager of the merchant banking department.

● Mr William P. Marshall has been appointed vice-president, research and strategies, of GTE INVESTMENT MANAGEMENT CORP, of Stamford, Connecticut. GTE Investment Management Corp, part of GTE Corp, is responsible for administering GTE's pension fund and other related financial investments worldwide. Mr Marshall will be responsible for monitoring GTE's investment performance and developing long-range policies and investment strategies.

FT INTERNATIONAL BOND SERVICE

U.S. DOLLAR STRAIGHTS	Issued	Bid	Offer	Change on day	week	Yield
Australia Com. 11¾ 90	100	101⅛	101⅝	+0⅛	+0⅛	10.93
Australia Com. 11½ 95	300	97⅛	97⅝	−0⅛	−0⅛	11.91
Australia Com. 11⅝ 98	100	97⅛	97⅝	0	0	12.00
Bank of Tokyo 11 90	100	95⅛	95⅝	+0⅛	+0½	12.07
Bank of Tokyo 11⅞ 90	100	98⅞	99⅜	+0⅛	+0½	12.11
Brit. Col. Hyd. 10¾ 88	200	96⅛	96⅝	0	+0⅛	11.32
Britoil Fin. 11⅞ 90	125	99⅞	100⅜	+0⅛	+0⅛	11.82
Canada 10⅞ 88	500	98⅞	99⅛	0	−0⅛	11.16
CCCE 12⅝ 95	75	99⅞	100⅛	0	+0⅛	12.58
CIBC 11 90	75	92⅞	93⅛	0	+0⅛	12.71
Citicorp O/S 10⅞ 90	100	91⅛	91⅞	0	0	12.33
Citicorp O/S 11⅝ 90	100	98⅛	98⅞	+0⅛	+0⅛	12.06
Cr. Suisse Bah. 10½ 90	150	98⅝	99⅛	0	+0⅛	10.71
Den. Norsk Crd. 11¼ 93	50	92⅝	93	+0⅛	−0⅛	12.58
Denmark Kgdm. 12¾ 93	100	97⅞	98⅛	+0⅛	+0½	12.63
ECSC 11⅞ 90	75	99⅛	99⅝	+0⅛	+0⅛	11.95
EDF 11⅞ 93	100	93⅝	94⅛	+0½	+1½	12.21
EEC 11 87	350	98⅝	99⅛	+0⅛	0	11.31
EEC 12 93	50	99⅛	99⅞	+0⅛	+0⅛	12.06
EIB 10⅝ 93	200	91⅝	92⅛	+0⅛	+0⅛	12.20
EIB 11 91	125	95	95½	+0⅛	+0⅛	12.01
EIB 11½ 90	200	97⅛	97⅝	0	0	12.07
Eksportfinans 11½ 90	100	96⅞	97⅜	+0⅛	+0½	12.18
Electrolux 10⅞ 90	50	92⅝	93	+0⅛	−0⅛	12.16
Fuji Int. Fin. 10⅞ 90	100	93⅞	94⅜	+0⅛	+0⅛	12.29
GMAC O/S Fin. 11⅝ 90	100	99½	100	0	−1	11.40
Honeywell Int. 10⅝ 90	100	96	96½	0	−0⅛	11.61
IC Indust. Fin. 11⅞ 98	75	96⅞	97⅜	+0⅛	+0⅛	12.30
Ind. Bk. Japan 11⅞ 91	100	99⅜	99⅞	+0⅛	+0½	11.93
ITT Finan. 11½ 89 WW	125	99½	100	0	−0⅛	11.55
Japan Air Lines 10⅞ 98	42	92⅜	92⅞	+0⅛	+0⅞	11.98
Japan Air Lines 11 93	75	95	95½	+0⅛	+1	11.84
J. C. Penney 11⅝ 90	100	100⅞	101⅜	0	−0⅛	11.60
J. P. Mrgn. 11⅝ 90 WW	150	98	98½	+0⅛	+0⅛	11.74
Levi Strauss Int. 11 90	75	96⅛	96⅞	0	−0⅛	11.74
LTCB 10⅝ 90	100	93⅜	93⅞	+0⅛	+0½	12.21
LTCB 12½ 90	85	101⅞	102⅜	+0⅛	+0⅞	11.99
Merrill Lynch 10⅝ 90	200	94½	95	0	0	11.83
Mitsubishi Fin. 11⅝ 90	100	95⅝	96⅛	+0⅛	+0⅛	12.27
Nippon Credit 11 90	100	94⅛	94⅝	+0⅛	+0⅛	12.30
Nippon Credit 11⅞ 90	100	97⅞	98⅜	+0⅛	+0⅛	12.28
Ontario Hydro 10⅝ 90	250	94⅛	94⅝	+0⅛	+0⅛	11.52
Ontario Hydro 11⅝ 90	200	100⅞	101⅛	0	+0⅛	11.47
Pacific Gas & El 12 91	75	102⅜	102⅞	+0⅛	0	11.45
PK Banken 12 90 WW	75	96½	97	0	0	12.72
Prudential 10⅝ 93 WW	150	96⅛	96⅝	−0⅛	+1⅛	10.73
Prudential 10⅝ 93 XW	150	90⅛	90⅝	+0⅛	−0⅛	11.82
Quebec Hydro 11½ 92	100	†97⅝	98⅛	0	+0⅛	11.86
Sears O/S Fin. 11½ 88	125	101⅛	101⅝	0	−0⅛	11.07
Sears O/S Fin. 11⅞ 93	150	98⅜	98⅞	+0⅛	0	11.85
S. Cal. Edison 10½ 90	75	95⅝	96⅛	+0⅛	0	11.40
Sumitomo Fin. 10⅞ 90	100	93⅝	94⅛	+0⅛	+0⅛	12.28
Texaco Capital 10½ 93	200	94½	95	0	−0⅛	11.40
UBS 10 88	100	98⅛	98⅝	+0⅛	+0⅛	10.46
World Bank 11⅝ 88	100	99⅜	99⅞	+0⅛	−0⅛	11.32
World Bank 11¼ 90	200	96⅜	96⅞	+0⅛	−0⅛	11.98
World Bank 11½ 90	150	98⅛	98⅝	+0⅛	+0⅛	11.83
World Bank 12 93	200	99⅝	100⅛	0	−0⅛	11.97

Average price changes... On day +0⅛ on week +0⅛

DEUTSCHE MARK STRAIGHTS	Issued	Bid	Offer	Change on day	week	Yield
Amca Intl. 8½ 91	100	97⅛	97⅝	−0⅛	−0⅛	8.70
ANAS 8½ 91	150	98	98½	0	−0⅛	8.84
Arab Bnkg. Con. 8 88	100	96⅜	96⅞	0	−0⅛	8.89
Asian Dev. Bk. 8½ 93	200	100	100½	0	0	8.45
Austria Rep. 7⅝ 89	100	100⅞	101⅜	+0⅛	+0⅛	7.38
Avon Int. Fin. 7½ 93	100	101	101½	0	0	7.30
Barclays O/S 8⅝ 98	250	99	99½	+0⅛	+0⅛	8.21
Beatrice Foods 7⅝ 93	130	102½	103	−0⅛	−0⅛	7.34
ECSC 8 90	160	99⅞	100⅜	0	−0⅛	7.96
EIB 8 93	200	98⅞	99⅛	+0½	−0⅛	8.16
Eurofima 7½ 90	100	101⅜	101⅞	−0⅛	+0⅛	7.19
Europarat 8⅛ 93	150	99⅛	99⅞	−0⅛	−0⅛	8.32
Finland Rep. 8 90	150	99⅞	100⅛	+0⅛	+0⅛	8.01
IADB 8⅛ 93	150	97⅝	98⅛	0	+0⅛	8.57
Int. Standard Ele. 7⅝ 90	100	99⅜	99⅞	+0⅛	−0⅛	7.44
Int. Standard Ele. 7⅝ 93	100	101½	102	+0⅛	−0⅛	7.48
Ireland 8⅞ 91	150	100⅛	100⅝	+0⅛	0	8.54
Japan Devt. Bk. 7½ 90	100	101⅛	101⅞	+0⅛	+0⅛	7.19
LTCB 8 90	100	100⅝	101⅛	0	−0½	7.81
Megal Fin. 8¼ 94	150	97	97½	−0⅛	0	8.67
Sth Africa Rep. 8½ 91	200	98⅝	99⅛	+0⅛	0	8.70
SNCF 8⅛ 93	100	99⅞	100⅜	0	−0½	8.10
Veba Int. F. 4 93 WW	300	115⅞	116⅞	0	−1⅞	2.15
Veba Int. F. 4 93 XW	300	75	75½	−0⅛	−0⅛	7.65
World Bank 7⅝ 89	300	99⅞	100⅜	0	−0½	7.83
World Bank 8 93	300	98⅝	99⅛	0	−0⅛	8.17

Average price changes... On day 0 on week −0⅛

SWISS FRANC STRAIGHTS	Issued	Bid	Offer	Change on day	week	Yield
Amex O/S Fin. 7¾ 91	57	76½	77	+0⅝	−0⅞	11.94
Bank of Tokyo 6 91	100	103	103½	0	+0⅞	5.48
Denmark 6⅛ 91	100	102½	102¾	−0⅛	−1	5.92
EEC 6 93	100	101¼	101½	−0½	−0⅛	5.81
Elec. Power Dev. 5⅝ 93	100	100	100¼	−0½	−0½	5.61
Europarat 6⅛ 93	100	99½	99¾	0	+0⅛	6.17
Ind. Fd. Finland 6¼ 91	40	†101½	102	0	+0⅛	5.95
Int.-Am. Dev. Bk. 6 93	100	100¼	100½	0	+0⅛	5.94
Ireland 6½ 93	80	100¾	101	+0½	+0⅛	6.37
Japan Dev. Bank 5⅞ 93	100	102¾	103	−0⅞	−0⅛	5.48
Jap. Highway P. 5⅝ 91	100	101¾	102	+0⅛	+0⅛	5.32
Kansai Elec. Pwr. 6 91	100	102¼	102½	−0⅛	−0⅛	5.59
Manitoba Prov. 5½ 93	100	102½	102¾	+0⅛	+0⅛	5.16
Mont Blanc Tunl. 6½ 93	35	103⅛	103⅜	+0⅛	+0⅞	5.88
Mont. Isa Fin. 6 93	100	103	103¼	0	−0⅛	5.56
Mt. Bk. Denmark 6½ 91	80	102	102¼	−0⅛	+0⅛	5.90
New Brunswick 5⅝ 93	100	103⅛	103⅜	−0⅛	+0½	5.28
Nippon Tel & T. 5⅝ 93	100	103¼	103½	−0⅛	0	5.28
Nisshin Steel 6⅛ 91	100	102¼	102½	+0⅛	+0⅛	5.84
Osterr. Post 6⅛ 91	100	103⅛	103⅜	+0⅛	−0⅛	5.53
Quebec Province 5⅝ 93	100	101	101¼	−0⅛	+0½	5.47
Shikoku Elec. Pwr. 6 91	100	102¾	103	−0⅛	−0½	5.54
Soc. Lux. Cent. 5⅝ 93	100	100	100¼	0	0	5.73
Sumitomo Hvy. I. 6 91	100	102⅝	102⅞	+0⅛	−0⅛	5.55
Tokyo Elec. Pwr. 5⅞ 91	100	103	103½	+0⅛	+0⅛	5.34
Trizec Corpn. 6⅛ 93	100	102	102¼	+0⅛	+0½	5.83

Average price changes... On day −0⅛ on week +0⅛

YEN STRAIGHTS	Issued	Bid	Offer	Change on day	week	Yield
Australia 8⅝ 92	15	106¾	107¼	+0⅛	0	7.50
EIB 8⅛ 92	15	103⅜	103⅞	+0⅛	−0⅛	7.64
Int.-Am. Dv. Bk. 7⅞ 93	15	101⅜	101⅞	+0⅛	+0⅛	7.63
New Zealand 7⅝ 89	15	104	104½	+0⅛	+0⅛	6.69
World Bank 7⅝ 93	20	101⅞	102⅜	+0⅛	+0⅛	7.33

Average price changes... On day +0⅛ on week +0⅛

OTHER STRAIGHTS	Issued	Bid	Offer	Change on day	week	Yield
Br. Col. Hyd. 12 93 C$	128	97⅝	98⅛	0	−0⅛	12.37
EIB 12⅝ 91 C$	80	†97⅝	98⅛	0	+0⅛	12.65
Loblaw 12½ 90 C$	35	†98⅛	98⅝	+0⅛	+0⅛	12.83
Montreal City 12 90 C$	50	†97⅞	98⅛	0	0	12.43
Quebec Hyd. 12⅝ 93 C$	50	†102⅛	102⅝	0	+0⅛	12.29
Royal Trstco. 12⅝ 88 C$	50	†101⅛	101⅝	0	0	12.17
World Bank 12⅛ 90 C$	75	†100⅝	101⅛	+0⅛	+0⅛	12.02
EEC 11 93 ECU	60	100⅝	101⅛	0	−1⅛	10.84
Genfinance 11 90 ECU	70	99½	100½	0	−0⅛	10.97
Algemene Bk. 8⅛ 88 Fl	150	102⅛	103⅛	+0⅛	−0⅛	7.96
Amro Bank 8⅛ 88 Fl	100	103⅛	103⅝	0	0	7.82
Bk. Mees Hope 9 88 Fl	75	103⅝	104⅛	−0⅛	−0⅛	7.86
Ned. Mddnstbk. 9 88 Fl	100	103⅝	104⅛	−0⅛	−0⅛	7.86
Rabobank 9 88 Fl	100	103⅞	104⅛	0	−0⅛	7.96
World Bank 9 88 Fl	100	103⅛	103⅝	0	−0⅛	8.04
OKB 14 86 FFr	400	100⅞	101⅞	0	0	13.16
Solvay et C. 14⅝ 86 FFr	200	102⅛	103⅛	0	+0⅛	13.21
BFCE 11½ 88 £	50	99½	100	−0⅛	0	11.53
British Oxyg. 11⅝ 91 £	50	100⅝	101⅛	0	+0⅛	11.56
CFPMF 11¾ 95 £	35	104⅝	105⅛	+0⅛	+0⅛	10.48
Ciba-Geigy Int. 6⅝ 93 £	25	101⅛	102⅛	−0⅛	−0⅛	6.48
Commerzbank 11½ 90 £	25	97½	98⅛	−0⅛	+0⅛	11.96
EEC 11⅞ 91 £	50	100⅞	101⅜	0	0	11.80
EEC 11⅞ 93 £	50	100⅞	101⅜	−0⅛	−0⅛	11.65
Fin. for Ind. 10½ 90 £	20	95	95½	−0⅛	−0⅛	11.57
Finland Rep. 11⅞ 88 £	50	100⅝	101⅛	0	0	11.55
Gen. Elec. Co. 12½ 89 £	50	103⅝	104⅛	0	−0⅛	11.37
III 10⅝ 93 £	25	95	95½	−0⅛	−0⅛	11.55
III 11½ 91 WW £	50	†99⅝	100⅛	+0⅛	−0⅛	11.46
Norsk Hydro 12 90 £	30	101	101½	0	+0⅛	11.68
Sweden 11⅛ 93 £	50	97⅝	98⅛	−0⅛	−0⅛	11.53
Sw. Ex. Cred. 11⅛ 88 £	30	98⅞	99⅜	0	+0⅛	11.43
World Bank 11⅛ 88 £	100	98	98½	−0⅛	−0⅛	11.27
Eurofima 10 91 LuxFr	600	99⅝	100⅝	0	+0⅛	10.01
Europarat 10⅝ 93 LuxFr	600	100⅝	101⅝	0	+0⅛	10.58

FLOATING RATE NOTES	Spread	Bid	Offer	C.dte	C.cpn	C.yld
Allied Irish Bank 5¼ 95	0⅛	98½	98¾	8/6	10.31	10.48
Banco di Roma 5¼ 90	0¼	100	100¼	7/6	10½	10.49
Belgium 5 2004	0⅛	98⅛	98⅝	9/7	10.31	10.39
Bk. of New York 5¼ 96	§0⅛	98⅝	98⅞	12/1	5⅛	5.28
CCF 5¼ 95	0⅛	99⅝	100	7/4	9.94	9.96
CCF 5¼ 98	§0⅛	100	100¼	24/3	10.19	10.17
CEPME 5¼ 88 WW	0⅛	100⅛	100⅜	3/3	10.31	10.29
CNCA 5¼ 95 XW	0⅛	99⅞	100⅛	7/6	10½	10.50
CNT 5¼ 91	0⅛	99⅝	100	6/5	10.19	10.20
Credit Foncier 5¼ 93	0⅛	99⅝	100	6/4	10	10.01
Denmark 5⅛ 90	0 1/16	99⅝	99⅞	13/4	10	10.04
Dresdner F. 5¼ 93 XW	§0⅛	100	100¼	19/4	9.94	9.93
FAR Fin. 5 93	§0⅛	100⅛	100⅜	20/6	10.69	10.66
EDF 5⅛ 95 XW	0⅛	100	100¼	10/2	11⅜	11.36
FEC 5 90	0⅛	100	100¼	5/7	10⅜	10.36
Ext. Int. 5⅛ 96	0⅛	98⅛	98⅝	21/6	10.81	11.01
First Interstate 5⅛ 95	§0⅛	99⅝	99⅞	6/3	9.94	9.99
Fuji International 5¼ 96	§0⅛	99⅝	99⅞	12/7	10⅛	10.28
GZB 5¼ 96	0⅛	99⅝	99⅞	29/5	10.19	10.21
Hispano 5⅛ 95	0⅛	98⅞	99½	20/4	10	10.17
Nat. Bk. Canada 5⅛ 91	§0⅛	†98½	98⅞	5/7	10.44	10.58
Saitama Int. 5¼ 93	0⅛	99⅞	100⅛	5/6	10.19	10.19
Societe Gen. 5⅛ 90 XW	0⅛	99⅝	100	9/5	10.31	10.33
Sweden 5¼ 2003	§0⅛	99⅝	99⅞	17/5	10.19	10.21

Average price changes... On day 0 on week +0⅛

CONVERTIBLE BONDS	Cnv. date	Cnv. price	Bid	Offer	Chg. day	Prem
BBC Brwn. Bveri. 4⅛ 95	2/84	108	†98⅛	98⅝	0	−3.57
Bridgestone Tire 5½ 96	3/82	470	137½	138	−0⅛	1.32
Canon 7 97	7/82	680.2	241⅛	243⅝	−0½	0.27
Daiwa Sec. Co. 5½ 98	10/83	481.8	†105½	107	+1½	−0.47
Fanuc 3⅝ 98	1/84	9142	125½	126½	+2⅛	8.06
Hitachi Cable 5¼ 96	2/82	515	120⅞	122⅛	+0⅛	0.23
Honda Motor 5⅛ 98	6/83	884	125½	126½	−2⅛	1.86
Honda Motor 5½ 97	3/83	759.6	143⅞	145⅞	−1⅛	−0.00
Konishiroku Ph. 4 98	10/83	673	102⅞	103⅞	−0⅛	6.86
Kyowa Hakko 6⅛ 97	2/83	782	118⅛	120⅛	−0⅛	11.89
Minebea Co. 5½ 98	5/83	687	110⅛	111⅛	−0⅛	0.28
Mitsubishi Elec. 5⅛ 98	6/83	396	111⅝	112⅝	+0⅛	4.32
Mitsubishi Heavy 4⅛ 99	1/84	253	105⅝	106⅝	−0⅛	−0.79
Nippon Electric 5⅛ 97	2/82	765.9	188½	190⅛	+0⅛	0.70
Nippon Oil Co. 5½ 98	4/83	984	114⅛	115⅛	+0⅛	9.29
Nissan Motor 5⅛ 98	4/83	700	109⅝	110⅝	−0⅛	1.79
Olympus Optic. 6⅛ 97	12/82	1157	111	112⅛	−0⅛	8.37
Orient Leasing 5⅛ 98	6/83	2680	104⅛	105⅛	+2⅛	1.67
Secom 5 98	11/83	2920	157⅝	158⅞	−0⅛	−0.24
Yamaichi Sec. Co. 5 98	8/83	449.5	109	110⅛	+5	0.69
Yamanouchi Ph. 4 90	10/83	1808	104⅛	105½	+0⅛	27.96
Bridge Oil 4⅛ 93 SwFr	3/84	3.43	109⅛	111½	+0⅛	22.38
Toshiba 2⅛ 94 SwFr	1/84	381	112⅛	113⅞	0	1.13
Asics 6 92 DM	12/83	520	118⅛	119⅝	−0⅛	5.43
Konishiroku 6⅛ 88 DM	8/82	618	125	126⅛	−0⅛	−2.42
Sum Realty 6⅛ 92 DM	2/83	365	139½	140½	−0½	−5.13

EUROBOND TURNOVER

(nominal value in $m)

	Cedel	Euro-clear
U.S. $ bonds		
Last week ...	5,666.7	13,257.6
Previous week	2,321.3	3,665.7
Other bonds		
Last week ...	1,241.0	822.3
Previous week	1,035.4	682.6

* No information available—previous day's price.

† Only one market maker supplied a price.

STRAIGHT BONDS: The yield is the yield to redemption of the mid-price; the amount issued is in millions of currency units except for Yen bonds where it is in billions. Change on week=Change over price a week earlier.

FLOATING RATE NOTES: Denominated in dollars unless otherwise indicated. Coupon shown is minimum. C.dte=Date next coupon becomes effective. Spread=Margin above six-month offered rate (‡ three-month; § above mean rate) for U.S. dollars. C.cpn = The current coupon. C.yld = The current yield.

CONVERTIBLE BONDS: Denominated in dollars unless otherwise indicated. Chg. day=Change on day. Cnv. date=First date for conversion into shares. Cnv. price=Nominal amount of bond per share expressed in currency of share at conversion rate fixed at issue. Prem=Percentage premium of the current effective price of acquiring shares via the bond over the most recent price of the shares.

The list shows the 200 latest international bonds for which an adequate secondary market exists. The prices over the past week were supplied by: Kredietbank NV; Credit Commercial de France; Credit Lyonnais; Commerzbank AG; Deutsche Bank AG; Westdeutsche Landesbank Girozentrale; Banque Generale du Luxembourg SA; Banque Internationale Luxembourg; Kredietbank Luxembourg; Algemene Bank Nederland NV; Pierson, Heldring and Pierson; Credit Suisse/Swiss Credit Bank; Union Bank of Switzerland; Akroyd and Smithers; Bank of Tokyo International; Blyth, Eastman, Paine, Webber International; Chase Manhattan; Citicorp International Bank; Credit Commercial de France (Securities) London; Daiwa Europe NV; EBC; First Chicago; Goldman Sachs International Corporation; Hambros Bank; IBJ International; Kidder Peabody International; Merrill Lynch; Morgan Stanley International; Nomura International; Orion Royal Bank; Robert Fleming and Co.; Samuel Montagu and Co.; Scandinavian Bank; Societe Generale Strauss Turnbull; Sumitomo Finance International; S. G. Warburg and Co.; Swiss Bank Corporation International; Wood Gundy.

Closing prices on January 13

UK COMPANY NEWS

USM introduction for Circaprint

Circaprint Holdings, which makes printed circuit boards, has applied to join the Unlisted Securities Market by way of an introduction of 5.275m shares at 10p each.

About 50 per cent of the shares are in the hands of three directors, including Bernard Stroud, the major shareholder who is chairman and chief executive. The remaining shares are held by institutions, private clients, and many of the 300 employees.

Circaprint makes conventional PCBs and special ones made to customers' specifications. Major customers include STC, Thorn EMI and Plessey. The directors say they plan to build on the traditional business and widen the customer base, through growth and acquisition.

Circaprint has produced profits of over £200,000 for each of the past five years, though there were setback in 1981 and 1982 due to economic conditions which, it says, prevented it putting up prices to cover rising costs of raw materials and overheads.

After a reorganisation and consolidation in 1982 it made pre-tax profits of £223,000 on turnover of £2.7m which rose to £423,000 on £4m turnover in the year to August 1983.

Vivian Gray is acting broker to the issue and Kleinwort Benson is the merchant bank.

Pyke sees further growth

Second half taxable profits of Pyke Holdings, meat supplier to the catering industry, advanced from £250,541 to £358,289 bringing th etotal for the year ended September 1983 to £630,449, compared with £305,947. Turnover for the 12 months edged ahead from £18.15m to £18.45m.

The final dividend is being set at 2p net per 10p share, exceeding the company's rights issue forecast made in May 1983, by 0.5p and making a total distribution of 3.5p, against 2.5p. Earnings per share are given as 19.82p (12.87p).

Mr Peter Garner, chairman, says trading in the first three months of the curernt year is absence of unforeseen circumstances ahead, and therefore in the stances the directors expect profits for the 12 months to exceed those of the year under review.

He says approximately half of the £1.18m proceeds of the rights issue have been committed to investment in the group's production facilities. The directors consider the company's burger operation has very good prospects and a substantial investment programme in the company's burger production plant at Maindenhead has been started.

BOARD MEETINGS

The following companies have notified dates of board meetings to the Stock Exchange. Such meetings are usually held for the purpose of considering dividends. Official indications are not available as to whether the dividends are interims or finals and the subdivisions shown below are based mainly on last year's timetable.

TODAY

Interims: AGB Research, Ailsa Investment Trust, Astra Industrial, Cray Electronics, Restmor, Stroud Riley Drummond.

Finals: Evode, SGB, Southern Business Leasing.

FUTURE DATES

Interims:

Armour Trust	Jan 17
Country and New Town Prop.	Jan 19
De Brett (Andre)	Jan 20
Estates Property Investment	†Jan 23
Kakuzi	Jan 17
MME Facilities	Jan 19
Macarthys Pharmaceuticals	†Jan 23
Mid Wynd Intnl Inv Tst	Feb 3
Textured Jersey	Jan 30
Westpool Investment Trust	Jan 17
Wholesale Fttings	Jan 27

Final:

Microgen	Jan 24

† Amended

Warner Holidays £2.6m loss

Against the usual seasonal trend, Warner Holidays incurred a loss in the second six months of the year to September 30 1983.

Together with the higher interim deficit, the £696,000 second-half loss resulted in losses for the year rising by just over three fold to £2.66m against £805,000. Gross revenue for the 12 months was £12.91m (£11.49m).

The directors of this Grand Metropolitan subsidiary say the losses reflect a difficult trading year in both home and overseas markets. However, a rationalisation and restructuring of operations has been undertaken to strengthen the company's longer term trading position.

D.C. Thomson down slightly

Net taxed income of D. C. Thomson shows a marginal decline from £7.17m to £6.85m in the year ended March 31 1983. The dividend is lifted from 30p to 32.25p per share. Principal activities of the Scottish-based private group are the printing and publishing of newspapers, magazines and books.

FT Share Information

The following securities have been added to the Share Information Service:

Highgate and Job Group (Section: Industrials).
Metana Minerals NL (Mines—Australians).
Nationwide Building Society 10¾ per cent Bds 3/12/84 (Loans—Building Societies).
Petro Energy (Oil and Gas).
RIT and Northern (Investment Trusts).
Tay Homes (Buildings).
Witan Investment Company Warrants (Investment Trusts).
Woodchester Investments (Banks, HP and Leasing).

BOC looking for substantial advance

A SUBSTANTIAL increase in pre-tax profits in 1984 for industrial gases to health care group BOC is forecast by the chief executive Mr Richard Giordano in the annual report to shareholders.

Mr Giordano is optimistic of a "sharp increase in margins" based on signs of recovery in BOC's U.S. and UK markets and "the extraordinary cost reduction efforts that have taken place throughout the group in the last two and a half years."

Pre-tax profits on a modified historic cost basis were down £6.8m to £95.8m in the year to September 1983, due to declines in some of BOC's industrial businesses including carbon and welding. Capital spending reached a record £308m and a further £104m was spent on acquisitions in gases and health care businesses.

Mr Giordano says that debt, which rose by £118m to £708m in 1983, is expected to show little or no increase to the end of 1984. The group expects to finance capital expenditure and working capital from internally generated cash.

Mr Giordano, Britain's highest paid executive, has received a drop in pay of £57,500 to £521,500 due to the loss of his performance related annual cash bonus worth £118,000 in 1982.

BOC chairman Sir Leslie Smith says the chief executive's level of remuneration will "continue to reflect American market values," but the annual cash bonus will be replaced by a share option award "which truly relates to the profitable long-term development of the group."

Mr Giordano already has options on 400,000 BOC shares exercisable at 200p per share between September 8 1986 and September 8 1989. With the share price closing on Friday at 293p, up from a year's low of 170p, Mr Giordano's option if exercisable today would be worth £372,000.

Imtec turns in £140,000

In their first results since joining the Unlisted Securities Market last year, directors of Imtec Group, which designs, assembles and supplies micrographic products, reveal pre-tax profits of £140,000 for the six months ended September 30 1983 on a turnover of £4.79m.

After tax of £39,000 earnings per 10p share were 1.2p, and although there is no interim dividend the directors expect to recommend a final payment of 1.7p.

Turnover for the year ended March 31 1983 amounted to £9.39m and the taxable surplus was £791,000.

The directors say that results for the first half of 1983-84 reflect the more encouraging trading background mentioned in the group's prospectus last October.

The present position shows good market interest in the company's digital hardware and software.

The directors, however, reiterate that turnover and profits in any trading period can be materially affected by the completion of major agreements and that sales are subject to pronounced seasonal variations with a high proportion occurring in the last quarter of the year.

Kennings Estates

Struck after a trebled property disposal surplus, Kennings Estates, a subsidiary of Kenning Motor Group, pushed full year pre-tax profits up from £1.57m to £2.29m. Turnover was £2.54m (£2.42m).

The company netted £1.65m (£518,000) on the sale of properties in the 12 months to September 30 1983. The result was also struck after interest payable of £295,000 (£237,000), depreciation and amortisation of £393,000 (£270,000), and included interest receivable of £123,000 (£195,000).

Winterbottom Energy

Net asset value per ordinary share at Winterbottom Energy Trust at the close of business on January 6 1984 was 93.6p after deduction of prior charges at par.

Webber Electro

Pre-tax profits of Webber Electro Components for the year to September 30 1983 increased to £344,000, compared with £230,000, on a turnover higher at £1.4m, against £915,000.

In line with the directors' interim forecast, the final dividend for this USM manufacturer of electrical components is unchanged at 1.75p net per 12½p ordinary shares. This gives a total payment for the year of 3.5p (same). A one-for-one scrip issue is proposed.

Investors Capital

A 28.5 per cent increase, from 179.9p to 231.3p, in the net asset value per share was achieved by Investors Capital Trust in the 12 months to November 30, 1983.

Total assets, less current liabilities, at year-end totalled £166.12m, against £129.49m. Total income for the year was £6.21m (£6.01m). The final dividend is being lifted by 0.1p to 1.95p

East Dagga makes £15m rights issue

TERMS of a R26.1m (£14.75m) rights issue have been unveiled by South Africa's East Daggafontein Mines. The rights will be of linked units, each comprising six shares plus an option to subscribe for a further one share.

Shareholders will be offered 12 units at a price of R28.20 per unit for every 100 shares held. No issue price is attached to the option, so the offer price is equivalent to 470 cents per share compared with a Johannesburg market price of 605 cents.

The East Dagga options are exercisable at 700 cents on the last Friday in May of 1986, 1987 and 1988.

The rights may be dealt in, and subscribed for, only as rights to linked units. It will not be possible during the period of the rights offer to deal in the components of the linked unit separately.

After the termination of the listings of the linked units, however, the shares and options may be dealt in separately.

Tin output still falling

THE LATEST monthly production figures from the Far Eastern tin producers in the Malaysia Mining Corporation group show the continuing effects of the production controls imposed under the sixth International Tin Agreement.

Malaysia Mining Corporation (MMC) itself produced 405 tonnes of tin concentrate during the month, down from 509 tonnes, while Berjuntai's output fell to 169 tonnes from 194 in November.

The cumulative totals are also much lower than in 1982-83. MMC has produced a total of 5,234 tonnes in the first 11 months of the current financial year, compared with 6,730 tonnes at the same stage of the previous year, while Berjuntai is showing 1,396 tonnes for the opening eight months of the year against 1,668 tonnes.

The latest production figures are compared in the accompanying table.

	Dec tonnes	Nov tonnes	Oct tonnes
Aokam	85	66	65
Ayer Hitam	96	83	106
Berjuntai	169	194	178
MMC	405	509	490
Sungei Besi	50	48	39
Tonkah Harb.	86	84	38
Tronoh	28	31	53

It is becoming more apparent with each set of monthly figures that the brunt of the reductions is being borne by the larger producers.

A total of 12 dredges remained closed throughout the month in order to limit production, and two others were shut for part of the period.

This is in addition to the normal periodic closures for repairs and maintenance.

SHARE STAKES

Whittington Engineering — Seaforth Investments has acquired 20,000 ordinary and now holds 132,000 (11.55 per cent).

Plastic Constructions — Lloyds Bank (Branches) Nominees under its account "A" holds 300,000 ordinary (6.35 per cent).

Renold — Mr Bernard Edward Cotton, a director, has acquired 30,000 ordinary increasing his holding to 31,500.

Charterhouse Petroleum — Mr A. Craven Walker and Mr D. A. Roberts, directors, have disposed of 51,500 and 52,500 nil paid ordinary shares repectively.

Lamont Holdings — Sir Desmond Lorimer, chairman, has reduced his holding by 83,083 ordinary shares to 2,952,738 ordinary (16.17 per cent).

Kellock Trust — The company has purchased 25,000 variable rate convertible preference shares.

Trafalgar House — S. G. Warburg & Co., as an associate of Candecca Resources, has bought on behalf of discretionary investment clients 200,000 ordinary at 204p each.

Reliant Motor — T. M. Trading has sold its holding of 500,000 ordinary and Mintinix has purchased 500,000 ordinary (9 per cent).

Moben Group — Mr L. D. Morris, a director, has sold 300,000 ordinary and now holds 4,222,868 (7.6 per cent). Mr J. A. Bentham, a former director, and his family have sold 800,000 ordinary and now hold 3,789,601 (6.8 per cent).

Habit Precision Engineering — Merrystar Properties hold 180,000 ordinary.

Steinberg Group — Mr Lawrence S. Snyder and Mr Peter M. Wiegand, directors, have sold 27,000 and 15,000 ordinary respectively.

Epicure Holdings — Mr Leonard Brealey, a director, has disposed of 25,000 ordinary.

Deritend Stamping — Iron Trades Insurance Group hold 375,000 ordinary shares (7.1 per cent).

Marlborough Property Holdings — Mr M. M. Lange, a director, has sold a further 50,000 ordinary reducing his holding to 7,395,968.

FINANCIAL TIMES STOCK INDICES

	Jan. 13	Jan. 12	Jan. 11	Jan. 10	Jan. 9	Jan. 6	1983/84 High	1983/84 Low	Since Compilatn High	Since Compilatn Low
Government Secs.	83.85	83.00	82.98	83.68	83.77	83.54	83.77	77.00	127.4	49.18
Fixed Interest	87.28	87.04	87.07	87.22	87.23	87.14	87.23	79.03	150.4	50.53
Industrial Ord	794.1	796.0	790.0	796.8	800.0	794.3	808.1	598.4	808.1	49.4
Gold Mines	548.6	584.6	546.6	542.5	629.5	557.1	734.7	444.6	734.7	43.5
FT-Act. All-Share	490.81	485.33	482.49	486.30	486.76	483.65	490.81	382.22	490.81	61.92

RECENT ISSUES

EQUITIES

Issue price	Amount paid up	Latest Renunc. date	1983/84 High	1983/84 Low	Stock	Closing price	+ or −	Net Div.	Times Covered	Gross Yield	P.E. Ratio
33	F.P.	21/12	34	28	✠Brewmaker 1p	30		—	—	—	16.2
¶435	F.P.	10/2	455	393	Brit. Petroleum	400	−5	20.25	1.9	7.2	11.1
¶275	100	2/3	115	96	Cable & Wireless 50p	115	−5	h5.47	3.5	6.8	5.0
¶75	F.P.	20/1	78	68	Dataserv Inc. 5c	78	+2	bQ1.5	5.1	1.3	15.3
[illegible]	F.P.	—	255	225	✠Gibbs Mew	225	..	†4.65	1.6	3.0	28.4
95	F.P.	31/1	96	90	Henara 10p	90	..	b2.8	2.6	4.4	12.5
§137	F.P.	6/1	148	138	✠High-Point Serv. 10p	143	−1	u3.0	3.4	3.0	11.4
§85	F.P.	18/1	87	85	✠J'hnsn&Jorg'nsn 10p	85		b3.15	2.1	5.3	11.7
§139	F.P.	10/1	183	168	✠Kenyon Securities	183		b9.38	1.7	7.3	11.2
¶150	F.P.	—	155	136	Ldn. & Edin'gh Tst. 10p	152	−6	b5.25	2.5	4.9	9.6
§40	F.P.	20/1	41	37	✠MME facilities 10p	38		b0.7	3.3	2.6	12.9
§36	F.P.	16/1	101	93	✠Mebon 10p	97	+2	b3.4	2.0	5.0	15.5
§195	F.P.	25/1	240	215	✠Moray F. Malt'gs 50p	225	....	b7.0	2.7	4.4	9.2
§55	F.P.	—	42½	34	Palma Group	39½	...	ud2.0	0.8	7.2	21.0
§140	F.P.	20/1	163	146	✠Pericom 10p	158	..	u1.7	4.9	1.5	16.2
100	F.P.	27/1	95	85	✠Synterials 10p	93	...	—	—	—	—
§135	F.P.	—	142	135	✠TyneTeesTVAN VEI	142		8.25	2.4	8.3	7.3
¶130	F.P.	17/2	160	131	V G Instruments 10p	156	..	b1.4	5.6	1.3	20.0
10	F.P.	—	17½	16	✠Welpac 10p	17½		bg0.2	4.1	1.6	19.9

FIXED INTEREST STOCKS

Issue price £	Amount paid up	Latest Renunc. date	1983/84 High	1983/84 Low	Stock	Closing price	+ or −
**	F.P.	—	128	122	Allied Textile 10% Cnv. Uns. Ln. 1993	125	....
‖	F.P.	6/1	124	110	Arlon Elect. 11½% Cnv. Ln. 1990	110	....
99	F.P.	16/2	99½	98½	Colne Valley Water 6% Red. Prf. '90	99	....
**	F.P.	9/2	133	115	Crystalate 8¼% Cnv. Ln. 2003	126	+1
99.15	£25	22/5	25¾	24¼	Elf (U.K.) 12¼% Uns. Ln. '91	25½	+½
—	F.P.	7/1	110	100	External Inv. 8% Cnv. Ln. 2003-08	110	...
99.714	£30	26/4	33⅛	30	Int. Bk. for Rec. & Dev. 11.5% Ln. 2003	33	+½
97.268	£25	23/1	30⅞	25	Ireland 12% 2008	30⅛	−½
100	F.P.	—	100½	99	Kensington & Chelsea 11.15% Red. 2003	100½	+⅛
‖	£30	10/11	47	30½	Lon. Shop Prop. 9pc Cnv. 94/99 Ser II	46	...
§95.711	£25pd	—	25	24½	MEPC 10¾pc 1st. Mort. Deb. 2024	25	...
§100	£10	1/3	13	10⅞	Mid Kent Wtr. 12pc. Red Deb. 1993	12	.
—	F.P.	—	100⅞	100¼	Nationwide 10¾% Bds. 24.12.84	100¼	....
**	F.P.	—	30p	28½p	Palma Group 3½% Cum. Prf. £1	30pm	
98.44	£25	13/4	27¾	25⅛	Queens Moat 12% 1st Mort. Deb. 2013	27¼	..
93.893	£30	21/3	31	29¾	Spain 12% Ln. 1988	31	+½

"RIGHTS" OFFERS

Issue price	Amount paid up	Latest Renunc. date ●	Latest Renunc. date ■	1983/84 High	1983/84 Low	Stock	Closing price	+ or −
345	F.P.	—	6/1	450	340	✠Air Call	445	....
300	Nil	—	—	120pm	100pm	Carlton Communications 5p	105pm	.
92	Nil	—	10/2	43pm	21pm	Charterhouse Pet.	42pm	+10
32	Nil	—	24/2	7pm	3pm	Herman Smith 10p	7pm	+3
300	F.P.	—	2/2	390	333	✠McCarthy & Stone 20p	390	...
30	Nil	—	9/3	28pm	22pm	Meggitt 5p	22pm	....

Renunciation date usually last day for dealing free of stamp duty. *b* Figures based on prospectus estimates. *d* Dividend rate paid or payable on part of capital; cover based on dividend on full capital. *g* Assumed dividend and yield. *u* Forecast dividend cover based on previous year's earnings. F Dividend and yield based on prospectus or other official estimates for 1984. H Dividend and yield based on prospectus or other official estimates for 1983-84. Q Gross. ‡ Cover allows for conversion of shares not now ranking for dividend or ranking only for restricted dividends. ● Figures or report awaited. § Placing price. *p* Pence unless otherwise indicated. ¶ Issued by tender. ‖ Offered to holders of ordinary shares as a "rights." ** Issued by way of capitalisation. §§ Reintroduced. ¶¶ Issued in connection with reorganisation merger or take-over. ● Provisional or partly-paid allotment letters. ■ Allotment letters (or fully-paid). ★ With warrants. ‖‖ Introduction. □ Issued to former preference holders. ‡ Effective issued price after scrip. † Formerly dealt in under special rule. ✠ Unlisted Securities Market. C Canadian.

PENDING DIVIDENDS

Dates when some of the more important company dividend statements may be expected in the next few weeks are given in the following table. The dates shown are those of last year's announcements except where the forthcoming board meetings (indicated thus*) have been officially notified. Dividends to be declared will not necessarily be at the amounts in the column headed "Announcement last year."

	Date	Announcement last year
*Alexanders Discount	Jan 23	Final 13.5
*Allied Colloids	Jan 18	Interim 0.65
BPM	Feb 25	Interim 1.581
Bath and Portland	Feb 22	Final 3.5
Berisford (S. and W.)	Jan 17	Final 6.0
Bio-Isolates	Jan 21	Final nil
Birmid Qualcast	Feb 17	Final 0.9
Brown (John)	Jan 28	Interim nil
Comm Union	Feb 22	Final 6.95
Daejan	Jan 25	Interim 1.925
Dalgety	Feb 15	Interim 11.0
Davy Corpn	Jan 20	Interim 1.1
*Dixons	Jan 19	Interim 1.45
*Dowty	Jan 18	Interim 1.65
*Ests Prop Inv	Jan 26	Interim 2.75
*Eurotherm Intnl	Jan 19	Final 4.5
Gold Flds SA	Feb 1	Interim 180c
*Guinness (A.)	Jan 25	Final 3.65
Henlys	Feb 2	Final 0.1
Hoover	Feb 17	Final nil
*ICI	Feb 23	Final 10.0
*Imperial Group	Feb 9	Final 4.5
*Lloyds Bank	Mar 9	Final 14.66
Lonrho	Feb 10	Final 5.0
*Macarthys Pharmactcls	Jan 23	Interim 2.0
Marchwiel	Feb 21	Final 4.8
Morley	Feb 23	Final 1.5
*Mercantile House	Jan 24	Interim 5.0
*MFI Furniture	Jan 17	Interim 1.4
Notts Manufacturing	Feb 14	Final 3.9
*Prop Security Inv Trust	Jan 19	Interim 0.5
*Racal Electronics	Jan 17	Interim 1.391
*Rank Org	Jan 24	Final 3.2
Raybeck	Jan 7	Interim due
*SGB	Jan 16	Final 3.8
Securicor	Feb 9	Final 1.23
Stand Telephone & Cables	Feb 18	Final 4.0
Stock Conversion	Jan 24	Interim 1.75
*Tate and Lyle	Jan 18	Final 9.5
Telefusion	Feb 24	Interim 0.82
*Trident TV	Jan 17	Final 3.0
*Trusthouse Forte	Jan 19	Final 5.5
*Union Discount	Jan 25	Final 17.0

* Board meeting intimated. † Rights issue since made. ‡ Tax free. § Scrip issue since made. ¶ Forecast.

Closing prices January 13

NEW YORK STOCK EXCHANGE COMPOSITE CLOSING PRICES

12 Month High	12 Month Low	Stock	Div.	Yld.	P/E	Sls 100s	High	Low	Close Quote	Ch'ge Prev. Close
[illegible]	[illegible]	AAR	.44	2.5	22	60	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	ACF	1.40	3.0	223	180	47	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	AMF	.50	3.2		427	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	AMR Cp			17	6773	[illegible]	38	[illegible]	[illegible]
[illegible]	[illegible]	AMR	pf2.18	11.		1048	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	AMR	pf2.13	5.5		241	[illegible]	[illegible]	[illegible]	
[illegible]	[illegible]	ANR	pf2.67	11.		15	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	20	ANR	pf2.12	10.		4	21	21	21	[illegible]
[illegible]	[illegible]	APL			20	97	[illegible]	[illegible]	[illegible]	
[illegible]	[illegible]	ASA	2.05	3.8	12	88	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	ASA	3a	5.6		243	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	AVX	s .32	1.1	44	168	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	AbtLab	1	2.2	17	1015	[illegible]	44	[illegible]	[illegible]
[illegible]	[illegible]	AccoW	n.60	2.0	22	61	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	AcmeC	.40	1.5		159	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	AcmeE	.32b	2.9	556	35	[illegible]	11	[illegible]	
[illegible]	[illegible]	AdmDg	.04	.2	14	17	18	[illegible]	[illegible]	[illegible]
[illegible]	15	AdaEx	2.11e	12.		237	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	AdmMl	.24	1.4	8	54	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	Advest	.12	.9	8	115	13	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	AMD	s		61	7670	[illegible]	36	[illegible]	[illegible]
[illegible]	[illegible]	Aeflex	s		16	53	[illegible]	16	16	
[illegible]	[illegible]	AetnLf	2.64	7.3	9	1435	[illegible]	[illegible]	36	[illegible]
65	[illegible]	AetL	pf5.09e	8.9		112	[illegible]	57	[illegible]	[illegible]
[illegible]	[illegible]	Ahmns	1.20	3.6	9	2268	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	3	Aileen				4	5	[illegible]	5	
51	[illegible]	AirPrd	1	2.2	13	458	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	AirbFrt	.60	2.1	23	11	[illegible]	28	[illegible]	[illegible]
[illegible]	[illegible]	AlMoa	s		20	117	[illegible]	[illegible]	[illegible]	
[illegible]	[illegible]	AlaP	pfA3.92	13.		9	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Continued on Page 17

هكذا من الأصل

AMERICAN STOCK EXCHANGE COMPOSITE CLOSING PRICES

Closing prices January 13

12 Month High	Low	Stock	Div.	Yld.	P/E	Sls 100s	High	Low	Close Quote	Ch'ge Prev. Close
4¼	2⅞	AIC Ph				7	3⅛	3⅛	3⅛	
6⅛	1¾	ATI				45	2	1⅞	1⅞	−⅛
12¼	2¼	AcmePr			37	16	6⅜	6¼	6¼	+⅛
19½	12⅞	AcmU	s.32	2.0	17	2	15⅞	15⅞	15⅞	
14⅛	4½	Action	s		10	60	14¼	13¾	14	−⅛
17	6⅛	Actons	.11	12	28	115	8⅝	8¼	8½	+¼
6½	1½	Acin	wt			48	3⅝	3½	3⅝	−⅛
6	1⅞	AdmRs				34	3½	3⅛	3⅛	−⅛
30⅞	21⅛	AdRusl	s.10	.4	14	64	22⅞	22⅛	22⅛	−⅝
26⅞	15	Adobe	.24	1.1	15	303	21¼	20⅝	21¼	+½
5¼	2⅞	AegisCp			14	71	4	3⅞	4	+⅛
	4	Aeronca			8	142	6⅜	6⅛	6⅛	−⅛
32½	17⅞	AfilHsp	.38	1.5	11	3	24⅛	24⅛	24⅛	−⅛
45	25¼	AfilPb	s.64	1.6	16	16	41¼	41	41¼	+⅜
17½	6⅛	AftSix	.06e	.5	9	28	12⅛	12	12	−⅛
15½	5⅝	AirExp				112	7	6⅞	6⅞	−⅛
6⅛	4	Alamc	n		9	6	4⅝	4⅝	4⅝	
23⅞	6⅝	AlbaW	.15e	1.1	9	5	13¼	13	13¼	+½
12⅞	4⅞	AlnTr	s			2	4⅞	4⅛	4⅛	
10½	5⅝	AlphaA	.48r	6.3		16	7⅝	7⅝	7⅝	+⅛
28⅛	16⅞	Alphaln	.05	.2	30	56	22⅛	21⅞	21⅞	−⅜
2⅞	1⅛	Altex				62	1½	1⅜	1½	+⅛
11-16	1-16	Altex	wt			10	3-16	3-16	3-16	
37	29⅛	Alcoa	pf3.75	11		250	34⅛	34⅛	34⅛	+½
32½	14¼	AlzaCp				567	18⅞	17⅞	18⅛	−½
29⅞	15	Amdhl	s.20	1.1	29	2739	18⅞	18½	18⅝	−⅝
25⅛	7½	Amedco	.08	.5	20	108	18¼	18	18¼	+⅛
7½	3⅞	AmBlt	.15	2.6	16	31	6	5⅛	5⅞	−⅛
8⅝	2	AmCap			97	90	7⅞	7½	7⅞	−⅛
39	28⅞	ACoast	.80e	2.5	10	1	32	32	32	−⅛

Continued on Page 18

NEW YORK STOCK EXCHANGE COMPOSITE CLOSING PRICES

Continued from Page 16

12 Month High	Low	Stock	Div.	Yld.	P/E	Sls 100s	High	Low	Close Quote	Ch'ge Prev. Close
65	51	VaEP	pf7.20	13		z100	55	55	55	+1
64¼	56½	VaEP	pf7.45	13		z100	58½	58½	58½	+1
28	17½	Vornad			33	7	26⅛	26⅛	26⅛	
10⅞	7½	Vulcinc				45	9½	9½	9½	−⅛
70	54⅝	VulcM	2.44	3.5	15	11	69⅛	69	69	−½
		W-W-W								
23⅛	18⅛	WICOR	2.14	9.7	9	32	22⅛	21½	22⅛	+⅛
47½	29⅞	Wachov	1.56	3.4	10	61	46½	46⅛	46⅛	−⅛

Continued on Page 18

Sales figures are unofficial. Yearly highs and lows reflect the previous 52 weeks plus the current week, but not the latest trading day. Where a split or stock dividend amounting to 25 per cent or more has been paid, the year's high-low range and dividend are shown for the new stock only. Unless otherwise noted, rates of dividends are annual disbursements based on the latest declaration.

a–dividend also extra(s). b–annual rate of dividend plus stock dividend. c–liquidating dividend. cld–called. d–new yearly low. e–dividend declared or paid in preceding 12 months. g–dividend in Canadian funds, subject to 15% non-residence tax. i–dividend declared after split-up or stock dividend. j–dividend paid this year, omitted, deferred, or no action taken at latest dividend meeting. k–dividend declared or paid this year, an accumulative issue with dividends in arrears. n–new issue in the past 52 weeks. The high-low range begins with the start of trading. nd–next day delivery. P/E–price-earnings ratio. r–dividend declared or paid in preceding 12 months, plus stock dividend. s–stock split. Dividends begins with date of split. sls–sales. t–dividend paid in stock in preceding 12 months, estimated cash value on ex-dividend or ex-distribution date. u–new yearly high. v–trading halted. vi–in bankruptcy or receivership or being reorganised under the Bankruptcy Act, or securities assumed by such companies. wd–when distributed. wi–when issued. ww–with warrants. x–ex-dividend or ex-rights. xdis–ex-distribution. xw–without warrants. y–ex-dividend and sales in full. yld–yield. z–sales in full.

WORLD STOCK MARKETS

NEW YORK

Indices

DOW JONES

	Jan. 13	Jan. 12	Jan. 11	Jan. 10	Jan. 9	Jan. 6	1983-84 High	1983-84 Low	Since Compil'tn High	Since Compil'tn Low
◆ Industr'ls	1270.10	1279.31	1277.32	1275.48	1286.22	1286.6	1287.20 (29.11)	1027.04 (5.1.83)	1287.20 (29/11/83)	41.22 (2/7/32)
H'me Bnds	70.91	70.80	70.61	70.62	70.50	70.25	77.84 (6/5)	60.65 (9/8)	—	—
Transport.	602.66	605.84	609.56	608.17	612.63	611.79	612.65 (8/1/84)	434.24 (3/1/83)	612.63 (9/1/84)	12.32 (8/7/32)
Utilities	134.30	134.01	133.82	133.62	135.77	134.33	140.70 (31/10)	119.51 (3/1/83)	163.32 (20/4/69)	10.5 (28/4/42)
TradingVol 000's	101.79	99,410	98,660	105,570	107,100	137,55	—	—	—	—

◆ Day's high 1289.57 (1287.90) low 1262.98 (1271.78)

	Jan. 6	Dec. 30	Dec. 23	Year ago (approx)
Industrial div. yield %	4.23	4.48	4.51	5.03

STANDARD AND POORS

	Jan. 13	Jan. 12	Jan. 11	Jan. 10	Jan. 9	Jan. 6	1983-84 High	1983-84 Low	Since Comilt'n High	Since Comilt'n Low
Industr'ls	187.94	188.96	189.12	189.20	190.33	190.64	194.84 (10/10)	154.35 (3.1.83)	194.84 (10/10/83)	3.62 (30/6/32)
Comp'site	167.02	167.75	167.79	167.85	168.90	169.28	172.65 (10/10)	138.34 (3/1/83)	172.65 (10/10/83)	4.40 (1/6/32)

	Jan. 11	Jan. 4	Dec. 28	Year ago (approx)
Industrial div. yield %	3.68	3.70	3.72	4.35
Industrial P/E ratio	13.74	13.64	13.57	11.30
Long Gov. Bond yield	11.66	11.74	11.76	10.41

N.Y.S.E. ALL COMMON

Jan. 13	Jan. 12	Jan. 11	Jan. 10	1983-84 High	1983-84 Low
96.66	97.05	97.03	97.09	99.63 (10/10)	80.92 (24/1/83)

Rises and Falls

	Jan. 13	Jan. 12	Jan. 11
Issues Traded	2,012	1,989	2,011
Rises	733	867	766
Falls	887	695	829
Unchanged	392	427	416
New Highs	66	77	39
New Lows	8	6	8

MONTREAL	Jan. 13	Jan. 12	Jan. 11	Jan. 10	1983-84 High	1983-84 Low
Industrial	446.22	447.52	449.22	450.28	458.30 (28/9)	351.18 (4/1/83)
Combined	450.14	451.60	452.15	455.31	441.29 (26/9)	325.12 (4/1/83)
TORONTO Composite	2565.4	2577.1	2580.1	2582.9	2598.2 (26/9)	1949.8 (4/1/83)

NEW YORK ACTIVE STOCKS

Friday	Stocks traded	Closing price	Change on day
ATT New	3,199,100	18⅞	− ⅛
ATT Old	2,834,800	65⅞	+ ½
IBM	1,761,300	113	− 2¼
Am. Genl. Cp.	1,346,500	23	+ ¼
Comdisco	1,200,600	14⅞	− 1
Unocal	1,190,200	35⅞	+ 1
Beth. Steel	1,104,300	28⅞	− ¼
Digital Equip.	1,014,700	78⅞	+ 3¼
Mobil	1,003,800	29⅛	− ⅛
K. Mart	941,700	32⅛	− ⅛

	Jan. 13	Jan. 12	Jan. 11	Jan. 10	1983-84 High	1983-84 Low
AUSTRALIA All Ord. (1.1.80)	775.0	776.2	776.2	776.2	787.5 (9.1.84)	487.8 (4.1.83)
Metals & Mins. (1.1.80)	541.1	545.1	546.5	549.2	614.2 (5.5)	411.8 (4.1.83)
AUSTRIA Credit Aktien (2/1.62)	55.15	55.30	55.40	55.28	59.8 (5/5)	48.43 (15.2)
BELGIUM Belgian SE (31/12.63)	141.02	140.29	139.62	139.26	141.02 (13.1.84)	100.50 (4.1.83)
DENMARK Copenhagen SE (3.1.83)	221.8	219.98	216.64	223.54	223.54 (10.1.84)	100.09 (3.1.83)
FRANCE CAC General (31.12.82)	167.3	166.0	165.3	165.9	167.5 (13.1.84)	96.1 (3.1.83)
Ind Tendance (30.12.83)	108.6	106.3	106.0	106.2	108.6 (13.1.84)	99.4 (3.1.84)
GERMANY FAZ-Aktien (31/12.58)	353.32	355.13	354.84	355.31	359.96 (9.1.84)	241.89 (25.1.83)
Commerzbank (1/12.53)	1043.8	1050.0	1049.5	1050.0	1065.4 (9.1.84)	727.3 (25.1.83)
HONG KONG Hang Seng Bank (31.7.64)	975.47	978.59	964.47	945.34	1102.64 (21.7)	690.06 (4.10)
ITALY Banca Comm Ital. (1972)	212.34	207.24	204.03	203.23	214.95 (21.3)	163.45 (10.1.83)
JAPAN** Nikkei-Dow (16.5.49)	10150.9	10104.1	10072.5	10016.2	10150.9 (13.1.84)	7803.18 (25.1.83)
Tokyo SE New (4.1.68)	762.24	757.44	752.66	748.02	762.24 (13.1.84)	574.51 (25/1.83)
NETHERLANDS ANP-CBS General (1970)	164.2	163.0	161.9	164.5	167.1 (5.1.84)	100.1 (4.1.83)
ANP-CBS Indust (1970)	136.6	134.5	135.9	135.6	136.5 (5.1.84)	65.5 (4.1.83)
NORWAY Oslo SE (4/1.83)	233.6	231.85	230.69	232.03	233.6 (13.1.84)	99.01 (4.1.83)
SINGAPORE Straits Times (1966)	1035.21	1040.61	1037.08	1037.23	1040.61 (12.1.84)	712.29 (5.1.83)
SOUTH AFRICA Gold (1958)	827.4	830.2	824.3	817.4	1099.5 (1.2)	661.4 (1.11)
Industrial (1958)	992.4	990.7	989.1	998.0	1008.4 (9.1.84)	704.9 (3.1.83)
SPAIN Madrid SE (30.12.83)	106.24	105.69	104.46	103.38	106.24 (13.1.84)	100.00 (30.12.83)
SWEDEN Jacobson & P. (1.1.58)	1526.5	1530.23	1513.65	1512.16	1530.23 (12.1.84)	896.18 (3.1.83)
SWITZERLAND SwissBankCpn. (31.12.58)	386.0	384.5	381.5	381.6	388.7 (3.1.84)	294.4 (4.1.83)
WORLD Capital Intl. (1/1/70)	186.1	—	185.9	186.2	187.1 (6.1.84)	154.3 (3.1.83)

**Saturday January 7: Japan Nikkei-Dow 9,982.4. TSE 743.17.

Base values of all Indices are 100 except Australia All Ordinary and Metals—500. NYSE All Common—50; Standard and Poors—10; and Toronto—1,000: the last named based on 1975. † Excluding bonds. ‡ 400 industrials. § 400 industrials plus 40 Utilities, 40 Financials and 20 Transports. c Closed. u Unavailable.

AUSTRIA

1983-84 High	1983-84 Low	Jan. 13	Price £
222	205	Creditanstalt Pfd.	206
370	181	Goesser	330
410	359	Interunfall	410
217	201	Laenderbank	212
400	255	Perlmooser	318
179	145	Steyr Daimler	158
262	171	Veitscher Mag	215

BELGIUM/LUXEMBOURG

1983-84 High	1983-84 Low	Jan. 13	Price Frs.
1,435	990	ARBED	1,310
5,020	3,700	Bank Int A Lux	5,000
3,750	2,030	Bekaert B.	3,670
2,240	1,595	Ciment BR	2,240
216	86	Cockerill	215
5,300	3,660	Delhaize	5,150
2,530	1,875	EBES	2,420
6,460	4,460	Electrobel	6,260
2,900	1,910	Fabrique Nat.	2,300
3,375	2,710	GB Inno BM.	2,300
2,550	1,450	GBL (Brux)	2,550
3,140	1,740	Gevaert	3,015
5,810	3,600	Hoboken	5,750
2,000	1,730	Intercom	[illegible]
7,000	4,300	Kredietbank	7,000
9,450	4,300	Pan Hldgs.	9,450
6,530	4,610	Petrofina	6,530
7,850	5,910	Royale Belge	7,450
3,055	2,305	Soc. Gen. Banq.	3,055
2,025	1,200	Soc. Gen. Belge	1,755
5,860	3,755	Sofina	5,700
3,750	2,180	Solvay	3,720
3,500	2,645	Traction el.	3,390
5,050	2,620	UCB	5,020
4,400	2,210	Vieille Mont.	3,875

DENMARK

1983-84 High	1983-84 Low	Jan. 13	Price Knr. %
556.4	339.6	AarhusOlie	465
362	160	Andelsbanken	355
669	321	Baltica Skand	667
350	178.6	CopHandelsbank	352
804	296.6	D. Sukkerfab	804
382	197	Danske Bank	368
205	88.6	East Asiatic	199
1,350	650	Forenede Brygg.	1,240
298	148	Forenede Damp.	194
675	178	GNT Hldg.	657
765	270	I.S.S.B.	690
763	297	Jydske Bank	755
3,425	1,955	Novo Ind.	3,105
372	183.4	Privatbanken	364
370	157.6	Provinsbanken	366
324.6	170	Smidth (FL)	299
1,230	585	Sophus Berend.	1,225
551	97.2	Superfos	501

CANADA

1983-84 High	1983-84 Low	Stock	Jan. 13
30⅝	18¼	AMCA Intl.	25
26	18⅛	Abitibi	25⅛
20⅛	14⅝	Agnico Eagle	15⅝
21	17½	Alberta Energy	18
50⅞	38⅛	Alcan Aluminium	50⅝
37½	24⅞	Algoma Steel	29¼
13⅝	9½	Asbestos	10⅛
33⅝	25	Bank Montreal	28⅛
46⅛	32	Bank NovaScotia	45
33	22½	Bell Canada	32
19½	13⅛	Bombardier	18⅛
29	16⅛	Bow Valley	24⅛
27	20	BP Canada Res.	23
41½	19¼	Brascan A	41½
4.20	2.70	Brinco	2.80
14½	8¼	B.C. Forest	14¼
33⅛	25⅛	CIL Inc	32
11½	8	Cadillac Fairview	10⅛
41½	26	Campbell Red Lk	30⅞
18⅛	12¼	Can. Ciment Pf	15⅛
31	22½	Can. NW Energy	30½
28¼	16½	Can. Packers	28⅛
50	30½	Can. Trustco	50
42	29¼	Can Imp Bk	30½
53⅛	35½	Can. Pacific	52⅞
25⅛	18	Can. Pac. Ents.	24⅛
13⅛	10¼	Can. Tire A	12⅞
24⅛	11⅛	Carling O'Keefe	22⅛
19⅞	14	Chieftain	16⅝
64⅛	44⅛	Cominco	60
28⅛	16	Cons. Bathst. A	27⅝
5.5	1.4	Copper Lake	2.25
5.00	2.96	Coseka Res.	3.80
10⅛	6½	Costain	10⅛
50⅞	27⅝	Denison Mines	45⅞
62⅛	27	Dofasco	60½
26⅞	13⅞	Dome Mines	15⅞
6⅞	3.25	Dome Petroleum	3.80
22⅛	16	Dominion Strs.	19
52½	20	Domtar	32½
87	47⅛	Falconbridge	75
36⅛	20⅛	Genstar	29½
28⅛	18½	Giant Y'knife	21⅛
2.75	1.85	Gt. West Life	2.75
20⅛	13⅛	Gulf Canada	17⅛
21	14⅝	Hawker Sid Can.	19
25⅝	18⅛	Hudson's Bay	23⅛
13⅛	8⅛	Husky Oil	10⅛
38⅛	28⅝	Imasco	35⅛
41⅛	27	Imperial Oil A.	36⅝
22⅛	15⅝	Inco	18⅛
13½	7⅛	Indal	13½
34	21⅛	Int. Pipe	30⅛
38	19	LAC Minerals	32
33½	24	Macmil. Bloedel	33½
16	8	Marks & Spencer	15⅛
7⅝	3.70	Massey Ferguson	6½
46⅛	26½	McIntyre Mines	36
37⅛	14½	Mitel Corpn.	18
23⅝	17⅛	Molson A	22⅛
63	50⅝	Moore Corp.	52½
11⅛	7⅛	Nat. Sea Prods A	7⅛
28⅛	19½	Noranda Mines	27
20⅝	12	Norcen Energy	16⅞
60½	27⅞	Nth. Telecom	47
9⅛	6⅛	Nova Alberta	7⅝
14½	6⅞	Numac Oil	13⅛
12⅞	6½	Oakwood Pet.	9
30⅛	6⅛	Pan Can Pet.	24⅛
[illegible]	[illegible]	[illegible]	[illegible]

ITALY

1983-84 High	1983-84 Low	Jan. 13	Price Lire
31,900	25,600	Banca Com'le.	30,505
253	124.4	Bastogi IRBS	169
2,540	1,040	Centrale	1,665
6,167	3,689	Credito Varesino	4,500
3,529	1,635	Fiat	3,529
77	38.2	Finsider	47
37,200	26,031	Generale (Assic.)	37200xc
3,270	1,920	Invest.	3,270
48,200	27,600	Italcementi	43,800
235	93	Montedison	235
5,550	1,801	Olivetti	5,979
3,170	2,315	Pirelli Co.	3,170
1,850	1,173	Pirelli Spa.	1,689
1,457	671	Snia BPD.	1,457
13,999	9,970	Toro Assic.	13,590
10,500	6,850	do. Pref.	10,000

NETHERLANDS

1983-84 High	1983-84 Low	Jan. 13	Price Fls
208	98	ACF Holding	194
164	62.5	Aegon	154
218.5	123	Alhold	212
108	54.9	AKZO	105.5
409	293.0	ABN	398.5
169	100.0	AMEV	164.5
70.3	41.9	AMRO	70
217	143.5	Bredero Cert	209
52.3	29.0	Boskalis Westm.	49.7
66	30.5	Buhrmann-Tet	62
38.5	27.1	Caland Hldgs	36
69	33.0	Credit Lyon'is Bk	65.5
580	190.0	Elsevier-NDU nv.	580
174.5	115.2	Gist. Brocades	172.5
139	61.0	Heineken	135.4
54.5	14.2	Hoogovens	53.9
29.1	11.0	Hunter Douglas	25.4
69	17.7	Int Muller	35
215	137	KLM	214.8
84.5	24	Naarden	48
221.5	122.9	Nat Ned Cert	219.5
68.3	24.5	Ned Cred Bank	38.8
167.5	93	Ned Mid Bank	159
128.5	86.1	Nedlloyd	120
265	168.5	Oce Grinten	237
34.4	18.4	Ommeren (Van)	30.8
65.8	40.3	Pakhoed	61
55.1	27.7	Philips	47.7
15.2	3.2	Rijn Schelde	4.9
349.5	244.0	Robeco	348.1
134.2	123.2	Rodamco	130.2
336.8	236.5	Rolinco	333
202	161.0	Rorento	202
148	92.2	Royal Dutch	145.1
275	189.0	Unilever	268.3
120	60	VMF Stork	111
161	60.2	VNU	157
132.8	85.5	West Utr Bank	122.5

NORWAY

1983-84 High	1983-84 Low	Jan. 13	Price Kroner
159	101.5	Bergens Bank	157.5
235	88	Borregaard	235
160	112.5	Christiania Bk.	157.5
164	117	Den Norsk Credit	164
141	37.5	Elkem	140
305	105	Norsk Data	295
592	272.5	Norsk Hydro	549
195	127.5	Storebrand	190

HONG KONG

1983-84 High	1983-84 Low	Jan. 13	Price H.K.$
35.25	16.5	Bank East Asia	21.3
0.87	0.87	Carrian Invest.	0.87
10.9	5.7	Cheung Kong	[illegible]
17.0	9.9	China Light	12.6
3.30	1.27	HangLung Devel.	2.05
64.5	29.9	Hang Seng Bank	45.25
6.55	4.4	HK Electric	5.85
4.60	2.47	HK Kowloon Wh.	4.15
6.00	2.25	HK Land	3.25
8.77	2.4	HK Shanghai Bk.	7.85
39.75	26.5	HK Telephone	39.75
16.7	8.00	Hutchison Wpa	16.6
16.1	7.9	Jardine Math	12.9
5.75	3.00	New World Dev.	3.2
8.0	2.22	Orient O'seas	2.5
5.1	2.5	O'seas Trust Bk.	3.1
7.25	4.05	SKH Props.	5.9
17.2	8.15	Swire Pac A	17.1
4.10	2.32	Wheel'k Mard A.	[illegible]
2.40	1.58	Wheel'k Marit'e	[illegible]
1.95	1.12	World Int. Hldgs.	1.58

JAPAN

1983-84 High	1983-84 Low	Jan. 13	Price Yen
1,170	805	Ajinomoto	1,100
2,780	1,610	Alps Electric	2,450
1,060	515	Amada	1,060
468	262	AsahiChem.	408
735	510	Asahi Glass	702
653	440	Bridgestone	640
[illegible]	[illegible]	[illegible]	[illegible]

AUSTRALIA

1983-84 High	1983-84 Low	Jan. 13	Price Aust. $
[illegible]	[illegible]	[illegible]	[illegible]

FRANCE

1983-84 High	1983-84 Low	Jan. 13	Price Frs.
[illegible]	[illegible]	[illegible]	[illegible]

SINGAPORE

1983-84 High	1983-84 Low	Jan. 13	Price $
[illegible]	[illegible]	[illegible]	[illegible]

SOUTH AFRICA

1983-84 High	1983-84 Low	Jan. 13	Price Rand
[illegible]	[illegible]	[illegible]	[illegible]

SWEDEN

1983-84 High	1983-84 Low	Jan. 13	Price Kronor
[illegible]	[illegible]	[illegible]	[illegible]

GERMANY

1983-84 High	1983-84 Low	Jan. 13	Price Dm
[illegible]	[illegible]	[illegible]	[illegible]

SWITZERLAND

1983-84 High	1983-84 Low	Jan. 13	Price Frs.
[illegible]	[illegible]	[illegible]	[illegible]

SPAIN

1983-84 High	1983-84 Low	Jan. 13	Price Pta
[illegible]	[illegible]	[illegible]	[illegible]

NOTES—Prices on this page are as quoted on the individual exchanges and are last traded prices. [illegible]

AMERICAN STOCK EXCHANGE CLOSING PRICES

12 Month High	12 Month Low	Stock	Div.	Yld.	P/E	Sls 100s	High	Low	Close Quote	Ch'ge Prev. Close
		Continued from Page 17								
10	8⅝	SCEd	pf1.08	12.		4	8⅞	8¾	8⅞	− ⅛
11⅞	9	SCEd	pf1.19	12.		7	9⅝	9½	9⅝	− ⅛
4⅝	2⅞	UNA				8	4⅛	4⅛	4⅛	− ⅛
17⅞	9⅞	UPS	n .40	2.8	23	41	14⅝	14⅛	14½	− ⅛
5⅞	1⅞	USR	Ind		6	30	5⅝	5½	5½	− ⅛
24⅛	9⅞	Ultmte		5	26	234	18⅛	17⅞	18⅛	− ⅛
17⅞	9⅞	Walco	.40	3.3		105	12⅛	11⅞	12	+ ⅛
42½	25⅛	WangB	.12	.3	28	1710	35⅛	34⅞	35	− ⅞
42⅛	23	WangC	.07	.2	28	16	35⅛	34½	35⅛	− ⅛
17⅞	3½	Wards	s .06	.4	17	54	14⅝	14½	14½	− ⅛
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
14½	9½	UiGrp				135	13⅞	13½	13½	
42	26⅛	Westvc	1.20	3.1	17	152	39	38⅛	38⅛	− ⅛
37⅞	24⅛	Zumin	1.32	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

NEW YORK CLOSING PRICES

12 Month High	12 Month Low	Stock	Div.	Yld.	P/E	Sls 100s	High	Low	Close Quote	Ch'ge Prev. Close
		Continued from Page 17								
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

£15m work for Taylor Woodrow

The TAYLOR WOODROW GROUP has won contracts worth £15.4m. A £12.4m contract for the construction of a laboratories complex has been awarded by the National Biological Standards Board to Taylor Woodrow Construction. Work on the site on part of the grounds of Clare Hall Hospital, South Mimms, is scheduled for completion in August, 1986. The main two-storey laboratory buildings will be in two blocks linked by a library. Other buildings will include a single storey amenities block, boilerhouse, workshops, stores, telephone exchange and administration offices. The laboratories will have concrete strip and pad foundations with a reinforced concrete frame. Included in the contract are roads, car parking, drainage and landscaping.

A £3m contract to build an office block on a new business park in Swindon, Wiltshire, has been awarded to Taylor Woodrow Construction, by Taylor Woodrow Property Co. The three-storey building will provide 4,000 sq metres of air conditioned office space around an internal courtyard, and will be provided with raised floors, suspended ceilings, light fittings and carpets. Included in the contract are mechanical and electrical services, car parking for 150 cars, paving, drainage and landscaping.

★

WILLIAM MOSS CONSTRUCTION has been awarded a £4.5m contract by Associated Dairies to build a supermarket complex at Niddlie Road, Edinburgh. Under one roof the complex will provide 100,000 sq ft of superstore, seven shop units, a cafeteria and a public house. There will also be parking for some 800 cars and a petrol filling station. The development which is near to the existing Milton Road Store will be steel framed with brickwork cladding to external elevations, all internal walls being blockwork. The roof will be metal decking with a felt covering and will have a slated mock mansard fascia. Completion is scheduled for September, 1984.

CONSTRUCTION CONTRACTS

£31m U.S. Navy joint project

A joint venture sponsored by RAYMOND INTERNATIONAL BUILDERS INC. and including Brown and Root Inc. and Mowlem International, has been awarded a U.S.$44.6m (£31.8m) contract by the U.S. Naval Facilities Engineering Command for further work on Diego Garcia Island in the Indian Ocean. The work, to be carried out this year and next, involves improvements and an expansion of facilities in connection with the military airfield and waterfront projects already under construction on Diego Garcia.

★

Contracts in excess of £3m have been won by companies in the JOHN E. WILTSHIER GROUP. Wiltshier London has been awarded a management contract by St Martin's Property Corp to repair and refurbish the exterior of Adelaide House, on the north side of London Bridge, the Corporation's own headquarters; Wiltshier Canterbury is to build an old people's home at Deal costing £631,325.00 for the Kent County Council and Wiltshier Tonbridge has just started on site in Priory Street, Tonbridge, on an £889,000.00 warden assisted scheme for Tonbridge and Malling Borough Council.

★

C-E LUMMUS, a unit of Combustion Engineering, Inc., has been awarded a contract by FMC Corporation's Agricultural Chemical Group for the engineering, procurement, and construction of a $40m (£28.6m) plant expansion for the production of Furadan (R) at Baltimore, Maryland. It will incorporate a new patented process featuring the use of catechol as a feedstock for the production of the key intermediate for FMC's widely used Furadan (R) insecticide/nemanticide. C-E Lummus' Bloomfield division has initiated work with completion scheduled for late 1985. In engineering this plant, Lummus will use an advanced computer based three-dimensional design system. The process is a combination batch and continuous operation. Advanced process and environmental control systems will be used throughout the plant.

★

Work has commenced on the Computer and Research Centre for Mars Group Services at Shoppenhangers Road, Maindenhead. The project has been secured by SIMONBUILD of Stockport on a design and construct basis with Mars technical staff and their consultant advisers. The contract is valued at around £3.6m and is due for completion by December 23. The building will be a three storey rectangular plan office approx. 43 metres x 36 metres. The structure will be of precast concrete with the mansard roof constructed in structural steel. The building is designed to be efficient in energy use and will include a co-ordinated and automated energy control system. Simon build is a member of the Multi Construction Group 6.

★

COSTAIN CONSTRUCTION, Coventry has won a £3.6m contract at Ashwell Prison, Leicestershire. The contract comprises construction of three three-storey, pre-cast concrete accommodation blocks and four association blocks containing recreation and dining facilities. Work begins in February and is due for completion in late 1986.

★

Contracts recently won by TILBURY CONSTRUCTION total about £3.5m. The largest is for the London Borough of Hounslow, where Tilbury is repairing and renovating council property under a £913,000 order. Another contract, awarded by the Property Services Agency for WRAF single accommodation at High Wycombe, Bucks, is worth £757,000. Also included is a roadworks contract from Southend-on-Sea Borough worth £332,000 and, for the London Borough of Ealing, Tilbury is forming individual and communal gardens at the South Acton Estate, as well as constructing paved areas, brick walls and fencing worth some £288,000.

★

The West Country and Wales have provided RUSH & TOMPKINS with £3.5m worth of contracts with a significant contribution of £750,000 from its recently opened Midlands office. A £842,000 court house in Salisbury for the PSA is already under construction and will be ready for use early in 1985. Several of the contracts are for civil engineering and road projects for the Berkshire and Wiltshire County Councils, trenching work at the Fawley Oil Refinery and the erection of 35 workshop units on a design and build basis for Gwent County Council at Blackwood, Gwent, at a cost of £500,000. A £363,000 contract from the Salisbury Health Authority providing for the construction of an infirmary at Fordingbridge includes paths, boundary walls and landscaping.

★

RDL CONTRACTING, a Trafalgar House company, has been awarded a £812,000 contract by Sunderland Borough Council for a river wall at Deptford, Sunderland, Tyne and Wear. The contract is part of a scheme by the council to recover and repair the banks of the River Wear, which have suffered from increasingly heavy industrial usage over the past 100 years. RDL Contracting's 170 metres section of sheet piled wall will also provide protection of the forecourt of an 18th century listed building. The building, Websters Ropery, is believed to be the oldest patent rope making centre in the country and is being extensively renovated and refurbished by the council. Completion of the project, including paving work behind the wall, is scheduled for this summer.

★

Six months after securing an order for overhead cranes for GEC Turbine Generators for Castle Peak B Power Station, Hong Kong, JOHN SMITH (Keighley) has been asked to supply three further cranes worth about £280,000. This brings the total value of the Hong Kong orders to over £1m. The cranes are a 30 tonne overhead crane for the cooling water pump house, and one 60 tonne overhead crane for the workshops. The third crane will be a 60 tonne fixed Golliath special purpose lifting unit for use in the workshop when handling turbine rotors and other heavy lifts.

A contract for the Theatre Museum in Covent Garden has been awarded by the PSA (Property Services Agency) to J. A. Elliott of Bishop's Stortford. Building the museum will take two years and will cost nearly £2.5m for 31,700 sq ft of floorspace. It will be located in the old Flower Market building which was renovated by J. A. Elliott to accommodate the Transport Museum in 1980.

INSURANCE

Year of growth for new life business

BY ERIC SHORT

EXECUTIVES in life companies operating in the UK are all smiles these days. The results published over the past two weeks show that 1983 was the best year for some time for new life business.

Figures issued last week by the three life associations—the Life Office Association, the Associated Scottish Life Offices and the Industrial Life Offices Association — showed that total new premiums last year rose 37 per cent from £3.93bn in 1982 to £5.4bn.

The growth rate for new business in 1982 was only 19 per cent.

With inflation running at around 5 per cent, the growth in new premiums will have eased any pressure on life companies' expenses.

Although they have developed advanced computer systems to handle their administration, it is still very much a service industry employing many people and thus vulnerable to earnings inflation. New business growth needs to expand by more than earnings inflation to keep the pressure off expenses.

One of the best salesmen for life companies last year was the Government, which introduced the new system for crediting tax relief on mortgage interest, known as MIRAS (Mortgage Interest Relief at Source).

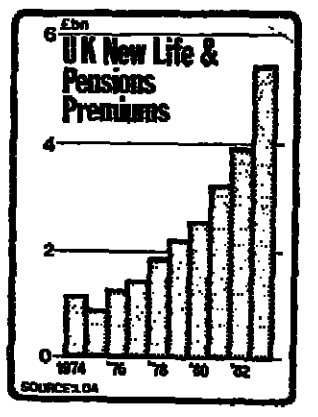
Such a changeover was not sought by the building societies, or the banks. But the Government insisted on the change to paying mortgage interest net of basic rate tax, to replace the system where interest was paid gross and tax relief given through the PAYE system.

Under MIRAS, it became advantageous for many borrowers to repay their mortgage through an endowment policy from a life company rather than with the normal repayment system.

The building societies notified all borrowers of the position and advised them to consider the situation. They also arranged special conversion schemes for borrowers, operated through a selected panel of life companies.

Registered insurance brokers also actively pushed the MIRAS message to clients. And the publicity given by the media to MIRAS, in conjunction with the building society literature, led borrowers to take the initiative and seeking help and advice on switching from the life company they normally dealt with.

The result was that life companies enjoyed a bonanza in sales of mortgage-related contracts. The effect should be clearer when the associations publish detailed sales figures next month.



However, results from individual companies show phenomenal growth in many cases—Eagle Star sales from £1.6m to £13.9m, Guardian Royal Exchange from £1m to £15m and Legal and General from £13.7m to £46.2m.

But this is not the only success story for life business in 1983. Sales of unit-linked single premium bonds soared, continuing the growth seen for the last decade. Two factors influenced this rise last year.

First, the traditional life companies removed the official limitations on commission payments, producing a substantial rise in commission paid on linked life bonds. Naturally, sales soared.

The second actor was the popularity of Capital Transfer Tax plans investing in linked life bonds. Intermediaries found these bonds solved the CTT problems for many clients.

The implication from these figures is that the recession in the UK has had no effect on the life asurance industry. However, one sector, group pension, has been badly affected.

Premium growth on company pension schemes depends on two factors—the increase in earnings and the rise in numbers of employees covered by these schemes.

The recession has had the dual effect of limiting earnings increases and cutting the numbers of members of pension schemes because of redundancies.

However, sales of self-employed pensions have remained steady, and the executive pension market started to recover in 1983 after two or three stagnant years.

The life assurance industry is looking forward to another good year in 1984. It believes sales of mortgage-related contracts will still be high, though lacking the one-off switching business of 1983. Unit-linked business is predicted to go through the roof. And there are signs that company pension business will pick up again.

APPOINTMENTS

Senior NatWest post

Mr Terry Ellis has been appointed senior executive of NATIONAL WESTMINSTER BANK'S treasurer's department, international banking division. He succeeds Mr Ron Porter, who became deputy treasurer. Prior to this appointment, Mr Ellis was senior manager, foreign exchange at NatWest's World Money Centre.

★

Mr A. G. Andrews has been appointed managing director of DENNISON MANUFACTURING CO. He succeeds Mr E. S. Beadsmoore who has been appointed president of Dennison Manufacturing Canada Inc. Dennison Manufacturing Co. is the UK subsidiary of Dennison Manufacturing Company of Boston.

★

Mr Luis Neto, deputy general manager of the London branch of BANCO ESPIRITO SANTO E COMERCIAL DE LISBOA, is returning to Lisbon to take up new responsibilities in the international department, head office. He will be succeeded in London by Mr Pedro Simoes De Almeida. Mr Antonio M. C. Saude has been appointed a manager in the branch.

★

KINGABY SIMMONS (REINSURANCE BROKERS) has appointed Mr Bob Simmons as chairman and Mr Adrian Shillaker as managing director. Mr E. R. Cowtan and Mr A. E. R. Jones have been elected to the board.

★

W. CANNING MATERIALS has appointed Mr Brian G. Green as director, lacquer business, from February 1. Mr Green joins Canning from Swale Chemicals where he was technical director.

★

Mr R. J. Allard has retired as chairman of ASSOCIATED TYRE SPECIALISTS, but is remaining a director. He is replaced by Mr J. H. Hible. Mr P. A. Mitchell has joined the main board.

★

Mr Murdoch Morrison has been appointed chairman of FIVE OAKS INVESTMENTS in place of Mr Andrew Redger who becomes deputy chairman.

WEEK'S FINANCIAL DIARY

The following is a record of the principal business and financial engagements during the week. The board meetings are mainly for the purpose of considering dividends and official indications are not always available whether dividends concerned are interims or finals. The sub-divisions shown below are based mainly on last year's timetable.

TODAY

COMPANY MEETINGS—

Carr's Milling Inds., Crest Hotel, Kingstown, Carlisle, 11.30

Hardanger Props., Howard Hotel, Temple Place, Strand, W.C., 12.00

Hunslet ... Jack Lane, Leeds, 11.00

BOARD MEETINGS—

Finals:

...

Hall (Matthew) 1.275p

Nat. Westminster Fin. BV Gtd. Flg. Rate Nts. 1991 ...

...

BOARD MEETINGS—

Finals:

Anglia TV

Bett Bros.

Goring Kerr

Hawtin

Tace

Tate & Lyle

Interims:

Allied Colloids

Banks (Sidney C.)

Dowty

Fleming Technology Inv. Tst.

Geller (A. & J.)

DIVIDEND & INTEREST PAYMENTS—

Bergen Bank AS Flg. Rate Cap. 1991 $25.56

Canadian Imperial Bank Commerce Flg. Rate Debs. 1994 (Br. $5,000 and 10,000) $552.64

Canadian Pacific Enterprises 20cts.

Clyde Port Authy. Bds. Reg. (10pc to 14¼pc) 1983-85 5⅛pc

Fidelity 1p

...

L Lister 0.1p

Norwegian State Municipal Power Cons. 5¼pc20yr. Extnl. ln. of 1965 2⅝pc

Rowlinson Secs. 0.18125p

Sainsbury (J.) 2.4p

Utd. Leasing 0.8p

Utd. Wire 3.55p

Valor 1.074p

Wells Fargo 54cts.

Yorkshire and Lancs. Inv. Tst., 0.6p

SATURDAY, JANUARY 21

DIVIDEND & INTEREST PAYMENTS—

Dowhurst Dent 7pcLn. 1990-2000 3½pc

Exchequer 10¼pc 1995 5⅛pc

Fleming Fledgeling Inv. Tst 3½pc

SUNDAY, JANUARY 22

DIVIDEND & INTEREST PAYMENTS—

Exchequer 12pc 1999-2002 6pc. 13¼pc 1997 6⅝pc

Sweden Fltg. Fix. Rate Bds. 1991 $55.58. 13.5pcLn. 2010 (Br.) 6¾pc. Do. (Reg.) 6¾pc

Treasury 14pc 1996 7pc. 13¼pcLn. 1997 6⅝pc. 13¼pcLn. 1997 6⅝pc. 11¾pc 2003-07 5⅞pc

Parliamentary diary

TODAY

Commons: Ordance Factories and Military Services Bill, second reading. Motion on the Urban Development Corporation (Financial Limits) Order.

Lords: Fosdyke Bridge Bill (third reading). Telecommunications Bill (second reading). Somerset House Bill (report).

TOMORROW

Commons: Rates Bill (second reading). Motion on the New Towns (Limit on Borrowing) Order.

Lords: Restrictive Trades Practices (Stock Exchange) Bill (Committee). Inshore Fishing (Scotland) Bill (committee). Roads (Scotland) Bill (committee).

Select Committee: House of Commons (Services): computer sub-committee. Subject — information technology: Members' requirements. Witnesses: Mr Anthony Pearce and Mr Peter Pennington (Room 8, 4 pm).

WEDNESDAY

Commons: Remaining stages of the Tenants Rights etc (Scotland) Amendment Bill. Motion on the undertaking relating to the North of Scotland, Orkney and Shetland Shipping Company, and the P & O Navigation Company.

Lords: Debate on the urgent need to modernise and improve the infrastructure, including the transport system and other means of communication, drainage and the water supply system, and housing. Unstarred question on progress in implementing the recommendations of the report of the Alvey Committee. A Programme for Advanced Information Technology.

Select Committees: Social Services: Subject — Griffiths National Health Service management inquiry report. Witnesses: British Medical Association, Royal College of Nursing (Room 20, 4.15 pm).

Trade and Industry: subject — British Steel Corporation. Witnesses: Mr B. Haslam and other BSC representatives (Room 16, 4.30 pm).

Treasury and Civil Service committee: Subject— The Government's economic policy: Autumn statement. Witnesses: Treasury officials (Room 15, 4.30 pm).

Joint committee—Consolidation, etc, Bills: County Courts Bill (Lords) (Room 4, 4.30 pm).

THURSDAY

Commons: Opposition Day debate: topic to be announced. Opposed private business from 7 pm (aprrox.). Motion on the District Electoral Areas Commissioner (Northern Ireland) Order.

Lords: Education (Grants and Awards) Bill (second reading). Town and Country Planning Bill (second reading).

Select Committee: Energy: Subject — Electricity and gas prices. Witnesses: Treasury (Room 15, 4.30 pm).

FRIDAY

Commons: Private Members' Motions.

CONTRACTS & TENDERS

PORT OF LISBON AUTHORITY

INTERNATIONAL TENDER FOR THE CONCESSION TO OPERATE A CONTAINER TERMINAL AT ALCANTARA-SUL, IN THE PORT OF LISBON

1. The Port of Lisbon Authority (Administracao-Geral do Porto de Lisboa—AGPL) invites bids for the operation, on a concessional basis, of a container terminal at Alcantara-Sul, in the Port of Lisbon.

   The concessionnaire will be allowed the use of part of the Port facilities located there, in their existing state, and it will be the responsibility of the concessionnaire to adapt and equip them in a suitable manner.

   The concession will be on a public service basis and the concessionnaire will be a company constituted according to Portuguese law with a majority of Portuguese capital.

   Tenders may be submitted by individual persons or companies.

2. Tenders must be handed in, upon issue of a receipt, not later than 17.00h on the 15th March 1984, at the Divisao de Exploracao Terrestre of the AGPL - Cais do Sodre - Lisbon, Portugal, where the instructions to bidders may be examined every weekday, from 9.00h to 12.00h and 14.00h to 17.30h.

3. The provisional bond for admission to the Tender is Escudos 1,250,000, which may be given by a deposit in the Caixa Geral de Depositos, its subsidiaries, agencies or branches, by means of a form drawn up under Appendix I to the instructions to bidders, by bank guarantee or by bond insurance, under the terms of the Portuguese legislation in force.

4. Copies of the instructions to bidders may be obtained from:

The Treasurer's Office (Tesouraria) of the AGPL

Cais do Sodre, Lisbon

upon payment of Escudos 1,500 per copy

Telex: 18529 PORLI P

NOTICE INVITING TENDERS FOR OILS & GREASES

Sealed tenders are invited from reputed firms for the supply of

Oils (OM-11 Qty 129,800 Ltrs; OM-12 Qty 2,820 Ltrs; OM-15 Qty 404,250 Ltrs; OX-38 Qty 11,675 Ltrs etc.).

Greases (XG-279 Qty 348,000 Kg; XG-284 Qty 2,460 Kg; XG-287 Qty 24,744 Kg; XG-293 Qty 5,130 Kg etc.).

Specification and tender forms can be obtained on written request from the following, citing Ref. No. SW/CI/S303102:

Director (EDP)
Supply Wing
HIGH COMMISSION OF INDIA
Aldwych, London WC2 4NA

Completed tender forms are required to reach us by 3 pm on 27 February 1984.

PREQUALIFICATION NOTICE FOR CIVIL WORKS

HIS MAJESTY'S GOVERNMENT OF NEPAL
MARSYANGDI HYDROELECTRIC PROJECT

The Marsyangdi Hydroelectric Development Board, on behalf of the Ministry of Water Resources, invites experienced Contractors to be prequalified as Tenderers for the civil works (Lot 1.1 and/or Lot 1.2) for the Marsyangdi Hydroelectric Project in Nepal. His Majesty's Government of Nepal (HMG) has applied for co-financing the civil works of Lot 1.1 from the Saudi Fund for Development (SFD), the Kuwait Fund for Arab Economic Development (KFAED) and the Organisation of Petroleum Exporting Countries (OPEC) and for financing of Lot 1.2 from the World Bank (IDA Credit), the proceeds ...

Application should be accompanied for each lot by a bank voucher of NRS 2,000 (two thousand Nepalese Rupees only), deposited to HMG's account Rajaswa 1-1-5-6 at Nepal Rastra Bank, Thapathali, Kathmandu or a Bank Draft of the same amount, or by a bank voucher of DM 370 (three hundred and seventy Deutsche Mark only) deposited to the Consultant's bank account No. 937253 Dresdner Bank AG, Frankfurt/Main, Germany F.R., both issued in favour of Marsyangdi Hydroelectric Project.

Completed Prequalification Documents shall be submitted in one original and three copies to the address of MHDB in a sealed envelope carrying outside the name and address of the applicant and marked as follows:

Prequalification Documents
Marsyangdi Hydroelectric Project
Civil Works (Lot 1.1/Lot 1.2)

not later than 14.00 hours March 1st, 1984.

SUDAN RAILWAYS CORPORATION
STORES DEPARTMENT
CONTRACT No. 5522

SUPPLY OF ONE APPARATUS FOR TESTING TREATED WATER

The Controller of Stores, Sudan Railways, Atbara invites tenders for the supply of the above.

Details and specifications can be obtained from the Office of:
Controller of Stores
P.O. Box No 65
Atbara
SUDAN
or from:
Sudan Government Purchasing Agent
3-5 Cleveland Row
St James's
LONDON SW1A 1DD

at a cost of £1.50 per set, to be paid by cheque or postal order only.

Closing date fixed for acceptance of tenders at the Office of Controller of Stores, Atbara, is:

Wednesday 8th February, 1984 at 12.00 hours noon.

COMPANY NOTICES

WORLDINVEST INCOME FUND
DIVIDEND ANNOUNCEMENT

DECLARATION OF DIVIDEND No. 14

The Trustees of the Worldinvest Income Fund are pleased to announce a US$6.00 ...

KUBOTA LIMITED

EUROPEAN DEPOSITARY RECEIPTS

THE PHILIPPINE INVESTMENT IN LIQUIDATION

... THE LIQUIDATOR

BRITANNIA GROUP OF UNIT TRUSTS LIMITED

BRITANNIA SPECIAL MARKET SITUATIONS TRUST

U.S.$25,000,000 8¼% Bonds 1989

S. G. WARBURG & CO. LTD. ...

30, Gresham Street, London, EC2P 2EB

15th January, 1984

FT UNIT TRUST INFORMATION SERVICE

AUTHORISED UNIT TRUSTS

INSURANCES

Insurances—continued

Offshore & Overseas—continued

Money Market Trust Funds

Money Market Bank Accounts

F.T. CROSSWORD PUZZLE No. 5,317

ACROSS

1 County clubs (6)

4 Herein a peculiar tale, out of this world (8)

9 A trying delay (6)

10 Cheeky little pets! (8)

12 Turn down a record by mail-order (8)

13 New hats we put bands round (6)

15 Cover or uncover (4)

16 Flirts and is captivated by her lips perhaps (10)

19 The secret is boldness (10)

20 It operates at different levels (4)

23 Bill for publicity (6)

25 Abandoned ship (8)

27 In current use (8)

28 A bad hand (6)

29 Fought against being declared redundant (8)

30 A hearty communication (6)

DOWN

1 Takes good steps not to have to walk in the streets (7)

2 Leave to enter a plea of guilty? (9)

3 Show touching affection (6)

5 Means of transport, sometimes sprung (4)

6 A bitter blow? (4,4)

7 Uniform the leader required for an occasion (5)

8 Sounds like more work for the tenants (7)

11 The girl looks different, having slimmed (7)

14 Don't display the same brilliance all the time (7)

17 Broken tile I mean to get rid of (9)

18 Avoid a tackle from the team and stride on (4-4)

19 Policemen make very little money (7)

21 To agree without reservation (7)

22 One who foils trespassers? (6)

24 Box holding Eastern weapon (5)

26 Fire out of control? (4)

The solution to last Saturday's prize puzzle will be published with names of winners next Saturday.

INSURANCE & OVERSEAS MANAGED FUNDS

Black Horse Life Ass. Co. Ltd.
71, Lombard St., EC3. 01-623 1288

Black Horse Man. Fd.	243.14		.....	—
Managed Inv. Fd.	164.78	173.46	.....	—
Property Fd.	152.16	160.17	.....	—
Fixed Interest Fd.	148.90	156.11	.....	—
Cash Fd	137.47	144.71	.....	—
Income Fd.	181.54	191.10	.....	—
Extra Income Fd.	174.41	183.59	.....	—
Worldwide Growth Fd.	233.27	245.55	.....	—
Balanced Fd.	183.11	192.75	.....	—
Smlr Co's & Recv. Fd	210.19	221.26	.....	—
Int. Technology Fd.	269.08	283.25	.....	—
Nth. Amer. & Gen. Fd.	162.45	171.00	.....	—
Energy Int. Fd.	108.48	114.19	.....	—
Pacific Basin Fund	149.90	157.88	.....	—

British National Life Assurance Co. Ltd.
Harlands Rd, Haywards Heath. 0444 414111

Managed	117.4	123.6	.....	—
Property	119.8	126.1	−1.0	—
Equity	122.9	129.3	+1.9	—
International	132.4	139.3	+1.1	—
Fixed Interest	104.0	109.5	−0.7	—
Deposit	100.5	105.8	+0.1	—
Managed Pen. Cap.	118.1	124.3	−0.1	—
Property Pens. Cap.	121.5	127.9	−1.5	—
Equity Pens. Cap.	118.0	124.2	+1.4	—
Intnl. Pens. Cap.	138.1	145.3	+1.4	—
Fixed Int. Pens. Cap.	100.7	106.0	−0.5	—
Deposit Pens. Cap.	97.9	103.1	+0.1	—

Canada Life Group
2-6, High St., Potters Bar, Herts. P. Bar 51122

Equity Gth Dec 29	97.4		.....	—
Retmt. Fed. Jan. 6	280.3		.....	—
Managed Pen Fund	187.7	197.5	.....	—
Property Pen Fund	115.5	121.6	.....	—
Index Lnkd Pen Fund	112.0	117.9	.....	—
Managed	127.6	134.4	+0.9	—
Property	106.2	111.8	.....	—
Gilt and Fixed Interest	108.9	114.7	+0.3	—
Index-Linked	97.4	102.6	−0.2	—
Equity	127.6	134.4	+1.3	—
Cash	105.4	111.0	.....	—
Midland Bk. Unit Tst.	125.7	132.4	+0.3	—
Midland Bank Intnl.	150.8	158.8	+0.1	—

Cannon Assurance Ltd.
1 Olympic Way, Wembley HA9 0NB. 01-902 8876

Equity Units	£40.33	—	+0.14	—
Property Units	£17.37	—	.....	—
Equity Bond/Exec	£26.33	27.65	−0.08	—
Prop. Bond/Exec	£22.69	24.00	−0.02	—
Bal. Bd./Exec/Unit	£24.25	25.44	−0.03	—
2nd Equity Acc.	203.5	215.3	−0.3	—
2nd High Inc/Acc	161.5	170.7	−0.5	—
2nd Property Acc.	173.1	183.2	.....	—
2nd Managed Acc.	175.6	185.8	−0.2	—
2nd Deposit Acc.	146.1	154.6	.....	—
2nd Gilt Acc.	145.1	153.5	−0.4	—
2nd American Acc.	198.0	209.5	−0.9	—
2nd Intl Money Acc.	145.2	153.7	−0.3	—
2nd Index Acc.	100.7	106.6	.....	—
2nd Far East Acc.	104.7	110.8	+0.9	—
2nd Eq. Pens/Acc.	288.5	305.3	−0.4	—
2nd Hi Inc Pens/Acc.	171.7	181.7	−0.5	—
2nd Prp. Pens/Acc.	222.4	235.3	−0.1	—
2nd Mgd. Pens/Acc.	226.1	239.3	−0.3	—
2nd Dep. Pens/Acc.	193.0	204.2	.....	—
Gilt Pens/Acc.	189.3	200.3	−3.9	—
2nd Am. Pens/Acc.	267.5	283.1	−1.3	—
2nd Intl Money Pens/Acc	177.4	187.7	−0.4	—
2nd Index Pens./Acc.	106.4	112.6	.....	—
2nd Far East Pens/Acc.	106.0	112.2	−8.6	—
L & E S.I.F.	76.0	80.5	−0.5	—
L & E S.I.F. 2	51.5	54.5	−0.5	—

Current value at Jan. 12.

Capital Life Assurance
Continued on adjacent Page Mon-Fri and Stock Exchange Dealings Page Sat.

Chieftain Assurance Funds
11 New Street, EC2M 4TP. 01-283 3933

[illegible]

G.T. Management Ltd.
16 Finsbury Circus, Lond. EC2M 7DJ. 01-628 8131

G.T. Plan Bond Fund	128.0	134.8	−0.4	—
GT Pln High Yld Fnd	132.1	139.0	+0.2	—
GT Plan Far East Fnd	129.2	136.0	−0.2	—
GT Plan N. Am Fd.	147.0	154.8	−0.6	—
GT Pln UK&G.E. Fnd	148.0	155.8	+1.0	—
GT Pln Wrldwde Fnd.	150.4	158.4	+0.7	—
GT Pension Bnd Fnd.	140.8	148.3	−0.6	—
GT Pen High Yld Fd.	150.0	157.9	+0.2	—
GT Pen Far East Fd.	159.8	167.9	−0.3	—
GT Pen N. Am. Fd.	216.1	227.5	−0.7	—
GT Pen UK & G.E. Fd.	170.9	179.9	+1.1	—
GT Pen Worldwide Fd.	162.0	170.6	+0.9	—

Prices for Accum. Units only.

Assicurazioni GENERALI S.p.A.
117, Fenchurch St., EC3M 5DY. 01-488 0733

Intl. Managed Bond	170.2	179.2	.....	—

General Portfolio Life Ins. C. Ltd.
Crossbrook St., Cheshunt, Herts. Waltham X 31971

Portfolio Fd. Acc.		263.3	+2.3	—
Portfolio Fd. Init.		215.3	+1.7	—

See adjacent page Mon-Fri and Stock Exchange Dealings page Sat

Gresham Unit Ass. Ltd.
2-6, Prince of Wales Rd. B'mouth. 0202 767655

Managed Fd.	285.3	300.6	.....	—
Money Fd	156.9	165.1	.....	—
Equity Fd.	240.9	253.8	.....	—
Fixed Int. Fd.	129.6	136.0	.....	—
Property Fd	174.2	183.6	.....	—
Managed Pen. Fd.	266.6	280.9	.....	—
Equity Pension Fd.	190.3	200.5	.....	—
Fixed Int. Pen. Fd.	169.6	178.7	.....	—
High Yield Pen. Fd.	167.4	176.4	.....	—
Money Pension Fd.	130.4	137.0	.....	—
Property Pension Fd.	128.5	135.4	.....	—
Gresham/Fromlington				
American & Gen. Fd.	264.0	278.2	.....	—
Income Fd	197.9	208.5	+0.5	—
Int'l. Growth Fd.	288.2	303.7	+0.3	—
Capital Fund	209.7	221.0	−0.3	—
Recovery Fund	160.8	169.4	.....	—

Growth & Sec. Life Ass. Soc. Ltd.
48, London Fruit Exchange, E1 6EU 01-377 1122

Flexible Finance	1.536	—	.....	—
Landbank Secs.	0.6674	—	.....	—
Landbank Secs. Acc.	189.2	194.1	.....	—
G. & S. Super Fd.	£31.598	—	.....	—

Guardian Royal Exchange
Royal Exchange, EC3. 01-283 7101

Guardian Assurance				
Property Bonds	306.3	319.0	.....	—
GRE Linked Assurance Ltd.				
Managed Initial	223.8	235.5	+0.8	—
Do. Accum	249.8	262.9	+1.0	—
Equity Initial	287.0	292.6	+2.1	—
Do. Accum	310.3	326.6	+2.4	—
Fixed Int. Initial	199.9	210.4	−0.7	—
Do. Accum.	223.1	234.8	−0.8	—
Intnl. Initial	233.3	245.5	−0.4	—
Do. Accum	260.4	274.1	−0.1	—
North American Initial	105.6	111.1	.....	—
Do. Accum	107.3	112.9	+0.1	—
Pacific Initial	111.8	117.7	−0.1	—
Do. Accum	112.5	118.4	−0.1	—
Index-Linked Gilt Init.	93.2	98.2	.....	—
Do Accum	94.7	99.7	.....	—
Property Initial	123.8	130.4	.....	—
Do Accum	138.1	145.4	.....	—
Deposit Initial	123.5	130.1	.....	—
Deposit Accum.	137.9	145.2	+0.1	—
GRE Pensions Management Ltd.				
Pens. Managed Initial	221.1	232.7	+1.1	—
Pens. Managed Acc.	241.2	253.9	+1.3	—
Pens. Equity Initial	287.3	302.4	+2.6	—
Pens. Equity Acc.	313.4	329.9	+2.8	—
Pens. Fxd. Int. Initial	203.5	214.2	−0.6	—
Pens. Fixed Int. Acc.	222.0	233.7	−0.6	—

[illegible]

OFFSHORE AND OVERSEAS

[illegible]

NOTES

[illegible]

FT LONDON SHARE INFORMATION SERVICE

BRITISH FUNDS

Interest Due	Stock	Price £	Last xd	Yield Int.	Yield Red.
	"Shorts" (Lives up to Five Years)				
20Aug 20F	Exch. 11¼pc 1984	100⅜	14.7	11.23	8.89
22N 22May	Exchequer 14pc 1984	101½	17.10	13.79	9.48
19D 19Jun	Exch. 3pc 1984	97½	14.11	3.07	9.09
26Mar 26S	Treasury 12pc 1984	101⅝	22.8	11.81	9.46
22Aug 22F	Treasury 15pc 1985	105¼	18.7	14.25	9.76
22S 22Mar	Exch. 12pc Cnv. '85	102¼	16.8	11.71	9.72
21N 21My	Treasury 3pc 1985	94⅛	17.10	3.18	7.67
15Jan 15Jul	Treasury 11½pc 1985	102¼xd	9.12	11.26	9.90
3 Mar 3 Sept	Treas 8¼pcCnv '85	98¾	28.7	8.86	9.60
22May 22N	Exch. 12¼pc 1985	103⅛	17.10	11.87	10.30
25 Aug. 25F	Exch. 11¾pc '86	102⅜	19.7	11.48	10.44
—	Treas 10pc Cnv 1986	101¾	—	9.83	9.10
19N 19May	Treasury 3pc 1986	89⅛	13.10	3.37	8.19
19 Nv 19 My	Exch. 10½pc Cv '86	100¾	13.10	10.41	10.08
12D 12Jun	Treasury 12pc '86	102¾	7.11	11.67	10.61
10Ja 10Jul	Treasury 8½pc '84-86‡‡	98⅛	5.12	8.67	9.39
14 Jan 14 Jy	Treas. 12¾pc '86 Cnv.	110	8.12	11.44	9.05
29Apr 29Oct	Exch. 14pc 1986	107⅝	22.9	13.01	10.73
May 21 —	Exch 2½pc 1986 ●	85½	—	2.92	8.31
22Jul 22Jan	Exch. 13¼pc 1987	106⅝xd	16.12	12.46	10.74
10 Fb 10 Ag	Treas 10¼pc Cnv '87	99⅝xd	—	10.29	10.43
24 Fb 24 Aug	Exchequer 2½pc 1987	84⅛	18.7	2.97	8.33
Oct 6 Apr 6	Exch. 10½pc 1987	99⅜	1.9	10.55	10.68
1N 1May	Funding 6½pc '85-87‡‡	91½	26.9	7.10	9.56
—	Treas 10pc 1987	98	—	10.20	10.69
14Ja. 14Jul	Treasury 3pc 1987	83½xd	8.12	3.59	8.56
3 May 3N	Treas 12pc 1987	103½	27.9	11.59	10.81
26Jul 26Ja	Treasury 7¾pc '85-88‡‡	93¾xd	20.12	8.26	9.65
10 My 10 Nv	Exch 10½pc '88	99⅜	4.10	10.55	10.65
—	Treas 9¾pc Conv '88	97¾	—	9.98	10.39
1Ja 1Jul	Transport 3pc '78-88	81½	25.11	3.68	8.02
25Ap. 25Oct.	Treas. 9½pc '88	95½	19.9	9.96	10.76
	Five to Fifteen Years				
22Aug. 22F	Treasury 11½pc 1989	106⅛	18.7	11.30	11.02
14 Dc 14 Jn	Treas 10½pc 1989	99⅝	7.11	10.64	10.82
—	Exch 10pc 1989 (£60pd)	59⅞	—	10.40	10.93
15Ap 15Oct	Treasury 5pc '86-89	83½	8.9	6.08	9.02
15Jul. 15Ja.	Treasury 13pc 1990‡‡	108¼xd	9.12	12.00	11.05
22Sept 22Mar	Exch. 12½pc 1990	110⅛	16.8	11.78	11.09
15D 15Jun	Treasury 8¼pc '87-90‡‡	91	8.11	9.14	10.35
—	Treas 10pcCv'90 (£20pd)	£95¾	10.44	10.90	
10Jul 10Ja	Treasury 11¾pc 1991	103	5.12	11.43	11.15
5Oct. 5Ap.	Funding 5¾pc '87-91‡‡	82¾	1.9	7.12	9.48
25Ap. 25Oct.	Exch. 11pc 1991	102⅝	19.9	10.99	10.96
22Jul. 22Ja.	Treasury 12¾pc '92‡‡	108¾xd	16.12	11.74	11.10
21Aug. 21Fb.	Treasury 10pc 1992	100¾	15.7	10.48	10.70
25Fb. 25Aug.	Exch. 12¼pc '92	110⅛	19.7	11.58	11.17
22Mar. 22S	Exchequer 13½pc '92	116⅛	16.8	12.02	11.22
14 Jan 14 Jy	Treasury 12½pc '93‡‡	108¾xd	8.12	11.50	11.01
15Mar. 15S	Funding 6pc 1993‡‡	78¼	9.8	7.87	9.86
23May 23N	Treasury 13¾pc 1993‡‡	117⅝	17.10	11.90	11.09
1 Mar 1 Sep	Treasury 14½pc '94‡‡	126⅛	26.7	11.99	11.01
27O 27Ap	Exchequer 13½pc 1994	117⅛	20.9	11.80	11.10
22F 22Aug	Exch. 12½pc 1994	113¼	18.7	11.50	11.07
17May 17N	Treasury 9pc '94‡‡	92½	11.10	9.89	10.39
25Jul 25Ja	Treasury 12pc '95	105⅞xd	19.12	11.30	11.02
1N 1May	Gas 3pc '90/95	63¼	26.9	4.75	8.02
21Ja 21Jul	Exch. 10¼pc 1995	96⅝xd	15.12	10.59	10.75
15May 15N	Treasury 12¾pc '95‡‡	114⅛	10.10	11.36	10.87
22Jul. 22Ja.	Treas. 14pc '96	118⅞xd	16.12	11.75	11.08
15S 15Mar	Treasury 9pc '92/96‡‡	93¼	9.8	9.92	10.35
3N 3May	Treasury 15¼pc '96‡‡	130⅞	27.9	11.93	11.05
15 My 15 Nv	Exchequer 13¼pc '96‡‡	118½	16.12	11.40	10.82
1Ap 1Oct	Redemption 3pc 1986-96	69	25.8	4.48	6.78
22Jul 22Ja	Treasury 13¼pc '97‡‡	116½xd	15.6	11.35	10.82
21Aug 21F	Exchequer 10½pc 1997	103⅞	15.7	10.54	10.54
1Mar 1S	Treasury 8¾pc 1997‡‡	91⅞	26.7	9.88	10.32
27Ap 27Oct	Exch. 15pc 1997	131⅛	20.9	11.71	10.98
1N 1May	Treasury 6¾pc '95-98‡‡	76¾	26.9	8.96	10.03
30Mar 30S	Treas. 15½pc '98‡‡	137⅞	24.8	11.65	10.92
20May 20N	Exch. 12pc 1998	111⅞	14.10	10.91	10.63
	Over Fifteen Years				
15Jul 15Ja	Treasury 9½pc 1999‡‡	94½	9.12	10.06	10.23
26S 26Mar	Exch. 12¼pc 1999	115⅞	22.8	10.93	10.62
19N 19May	Treasury 10½pc 1999	102¼	13.10	10.39	10.35
—	Convers'n 10¼pc 1999	100⅞	—	10.32	10.33
14Ja 14Jul	Treas. 13pc 2000	118⅞	8.12	10.94	10.57
22N 22May	Treas. 14pc '98-01	125¼	17.10	11.37	10.79
22Jul 22Ja	Exch. 12pc '99-02	110¾xd	16.12	10.82	10.53
25Ja 25Jul	Treas. 13¾pc 2000-03	124½xd	19.12	11.04	10.57
19S 19Mar	Treasury 11½pc '01-04	114	15.8	10.43	10.21
14Ja 14Jul	Funding 3½pc '99-04	49½	8.12	7.07	8.91
21May 21N	Treasury 12½pc '03-05	120¼	17.10	10.52	10.25
5Ap 5Oct	Treasury 8pc '02-06‡‡	86¼	1.9	9.47	9.69
22Jul 22Ja	Treasury 11¾pc '03-07	113xd	16.12	10.38	10.16
26S 26Mar	Treas. 13½pc '04-08	131⅞	22.8	10.57	10.22
10Mar 10S	Treasury 5½pc '08-12‡‡	64½	20.12	8.79	9.23
26Jul 26Ja	Treasury 7¾pc '12-15‡‡	82½xd	20.6	9.37	9.49
12 Jan. 12D	Exch. 12pc '13-'17	121⅛	7.11	10.00	9.90
	Undated				
1F. 1Aug.	Consols 4pc	40¼xd	27.6	9.90	—
1Jun 1D	War Loan 3½pc‡‡	36½	25.10	9.71	—
1Ap. 1Oct.	Conv. 3½pc '61 Aft.	44½	25.8	8.05	—
5Ap 5Oct	Treasury 3pc '66 Aft.	31⅞	1.9	9.83	—
5 JaApJulOc	Consols 2½pc	25½xd	1.12	9.83	—
1Ap 1Oct	Treasury 2½pc	25¼	25.8	9.99	
	Index-Linked			(1)	(2)
30Mar 30Sept	Treas. 2pc I.L. '88	104¾	24.8	2.96	3.43
25 July	Do. 2pc I.L. '90	91⅞	—	3.11	3.44
16 Mar. 16 S.	Do. 2pc I.L. '96	106	10.8	3.25	3.42
24 Mr 24 Spt	Do. 2½pc I.L. 2001	97⅛	18.8	3.08	3.21
20May 20N	Do. 2½pc I.L. 2003	96⅛	14.10	3.04	3.36
19 Ja 19 Jul	Do. 2pc I.L. 2006	99½xd	23.12	2.96	3.06
20May. 20N	Do. 2½pc I.L. 2009	95⅞	14.10	2.97	3.07
23F 23Aug	Do. 2½pc I.L. 2011	102⅛	18.7	2.92	3.02
26Jul 26Jan	Do 2½pc I.L. 2016	92¾xd	20.12	2.88	2.97
—	Do 2½pc I.L. 2020	92	—	2.83	2.91

Prospective real redemption rate on projected inflation of (1) 10% and (2) 7%

INT. BANK AND O'SEAS GOVT. STERLING ISSUES

28Ja 28Jy	Australia 13½pc 2010	116½xd	29.12	11.56	11.44
—	Do 11¾pc Ln 2015	30¼	—	11.34	11.33
23Mr 23S	Euro Inv Bk 11pc Ln 2002	101	23.8	11.28	11.32
1My 1N	Finland 14½pc Ln 1986	107¼	3.10	13.52	10.90
8Ja 8Jy	Int-Am Dev Bk 12½pc 2003	104⅞xd	9.12	11.89	11.81
6Mv 6N	Int. Bank 13½pc 1986	105½xd	7.10	12.81	10.79
31Mr 30S	Do. 14pcLn 1987	107⅞	31.8	12.98	10.95
—	Mlysia 12¼pc Ln '88	101⅝xd	3.1	12.05	11.73
1Mr 1S	Mex 16½pc 2008	97½	2.8	18.07	18.07
29Jly 29Dec	N.Z. 14¼pc 1987	108⅞xd	29.12	13.09	11.03
4My 4N	Do. 11¼pc 2008	100	7.10	11.51	11.52
15Mr 15S	Sweden 13½pc 1986	105⅛	16.8	12.84	10.67
22Ja 22Jy	Do. 13½pc Ln 2010	111¾	23.12	12.06	11.98

CORPORATION LOANS

30A 31O	Bath 11¼pc 1985	101	30.9	11.14	10.59
1Je 1D	Birm'ham 12½pc 1985	102½	1.12	12.20	10.45
1Je 1D	Burnley 13pc 1987	105¼	1.11	12.36	11.08
24Ap 24O	Cardiff 11pc 1986	100½	21.9	10.94	10.76
15F. 15Ag.	G.L.C. 13¼pc 1984	100¾	15.7	13.23	10.53
15F 15Ag	Do. 6¾pc 90-92	82	15.7	8.51	10.62
1F 1Ag	Herts 6¾pc 1985-87	89	1.7	7.59	10.53
1Ap 1O	Leeds 13½pc 2006	121⅛	8.9	11.44	11.26
15My 15N	Liverpool 9¼pc '80-84	100	17.10	9.75	9.65
1Ja.A.J.O.	D. 3½pc Irred.	30¼	1.9	11.58	—
1Ap 1O	Lon. Corp. 9¼pc '84-'85	98¼	1.9	9.42	10.35
15Ja 15Jy	LCC 5½pc '82-84	98¼xd	15.12	5.60	9.05
11Je 11D	Do. 5½pc '85-87	86	11.11	6.39	10.46
10Ja 10Jy	Do 6¾pc '88-90	82¼xd	12.12	8.20	10.59
1M J.S.D.	Do. 3pc '20 Aft.	26¼	1.11	11.74	
15Je 15D	Sunderland 12¼pc 1984	102	15.11	12.01	9.84

COMMONWEALTH AND AFRICAN LOANS

1Ja 1Jy	N.Z. 7¼pc 1988-92	82	1.12	8.86	10.54
15Je 15D	Do. 7½pc '83-86	94½	1.12	7.99	10.35
—	S. Rhod. 2½pc Non-Ass.	180	—	—	—
10Mar 10Sept	Do. 3½pc 80-85 Asstd.	83	10.8	4.28	15.88
7F 7A	Do. 4½pc 87-92 Asstd.	52½xd	9.1	8.89	15.40
15Ap 15O	Zimbabwe Ann (£100pa)	347	15.9	—	16.00

LOANS

Building Societies

23 Jan 17 Jly	N'wide 11⅞pc 23.1.84	100⅛	17.6	—	—
13 Feb 7 Aug	Do. 11⅞pc 13.2.84	100⅛	8.7	11.87	10.04
19 Mar 14 Sep	Do. 11¼pc 19.3.84	100⅛	15.8	11.23	9.91
9 Apr 5 Oct	Do. 11¼pc 9.4.84	100¼	5.9	11.22	9.81
30 Apr 30 Oct	Do. 10¾pc 30.4.84	100⅛	26.9	10.67	9.76
29 May 23 Nov	Do. 10⅞pc 29.5.84	100⅛xd	24.10	10.83	9.73
18 Jne 6 Dec	Do. 10⅞pc 18.6.84	100⅛	7.11	10.83	9.82
4 Jan 9 Jly	Do. 10⅝pc 9.7.84	100⅛xd	4.1	10.52	9.63
25 Jan 30 Jly	Do. 10⅞pc 30.7.84	100¼xd	—	10.79	9.49
15 Jan 20 Aug	Do. 11¼pc 20.8.84	100⅝	—	11.19	10.17
29 Feb 3 Sep	Do. 11pc 3.9.84	100⅛	—	10.22	10.08
—	Do. 10¼pc 8.10.84	100	—	10.25	9.60
—	Do. 10¼pc 5.11.84	99¾	—	10.26	10.31
—	Do 10⅛pc 3.12.84	99⅞	—	10.14	10.21

Public Board and Ind.

1Ja 1Jy	Agric. Mt. 5pc '59-89	75¼xd	1.12	6.66	11.19
1Mr 1S	Met. Wtr. 3pc 'B'	37½	1.8	8.24	11.03

Financial

20J 20D	Inv in Ind 6¼pcDb'81-'84	97	17.10	6.52	11.60
11Ja 11Jy	Do. 10½pcUnLn '86	100	28.11	11.08	13.50
11Ja 11Jy	Do. 11pc Uns.Ln. '88	102	28.11	10.83	10.50
11Ja 11Jy	Do. 11¾pc Uns Ln. '90	104xd	28.11	11.35	10.90
14Mr. 14S	Do. 12½pc Uns. Ln. 1992	108½	1.8	11.97	11.70
30J 31D	Do. 7¼pc A Deb '89-92	80½	14.11	9.13	10.90
31M 30S	Do. 7¼pcADeb. '91-94	80	15.8	9.43	10.90
31M 30S	Do. 9% A '91-'94	91	15.8	10.23	10.95
31A 29F	Do. 8⅞pcLn. '92-97	90	18.7	10.33	10.75

FOREIGN BONDS & RAILS

Interest Due	Stock	Price £	Last xd	Div % Gross	Red. Yield
—	Chinese 4½pc 1898	13	—	—	—
31Mr 30S	Do 5pc 1912	11	—	—	—
1Ja 1Jy	Do. 5pc 1913	9	—	—	—
15Ja 15Jy	Do 5pc '25 Boxer	9	—	—	—
1Ap 1O	Greek 7pc Ass.	52	1.11	3.50	16.82
1F 1A	Do 6pc 28 Stb Ass	50	1.8	3	16.2
1A 1O	Do 4pc Mixed Ass	46	1.10	2	14.36
1May 1Nov	Hung. '24 Ass	48½	1.5	2.75	F5.91
31My 30N	Hydro Quebec 15pc Ln 2011	120½	1.11	15	12.56
30Je 31D	Iceland 6½pc '83-88	80	3.6	6.5	12.20
31Ja 31Jy	Do 14½pc Ln 2016	107½xd	3.6	14.5	13.48
1Mr 1S	Ireland 9¾% '91-'96	89½	12.8	9.75	11.91
1Je 1D	Japan 4pc '10 Ass	299	1.6	—	—
30Je 31D	Do. 6pc '83-88	87xd	3.1	6	9.48
1Ap 1O	Peru Ass. 2007	161	1.10	5.22	13.29
May 1	Turin 9pc 1991	$92	3.5	9	19.78
15Ap 15O	Turin 6½pc 1984	DM95	17.10	6.5	13.90

AMERICANS

[illegible]

CANADIANS

[illegible]

BANKS, H.P. AND LEASING

[illegible]

Hire Purchase, Leasing, etc.

[illegible]

BEERS, WINES AND SPIRITS

[illegible]

BUILDING INDUSTRY, TIMBER AND ROADS

[illegible]

CHEMICALS, PLASTICS

[illegible]

DRAPERY AND STORES

[illegible]

DRAPERY—Continued

[illegible]

ELECTRICALS

[illegible]

ENGINEERING

[illegible]

ENGINEERING—Continued

[illegible]

FOOD, GROCERIES, ETC.

[illegible]

HOTELS AND CATERERS

[illegible]

HOTELS—Continued

[illegible]

INDUSTRIALS (Miscel.)

[illegible]

INDUSTRIALS—Continued

Dividends Paid		Stock	Price	Last xd	Div Net	C'vr	Y'ld Gr's	P/E
—		MCD Group	47	—	u1.0	2.2	3.0	21.4
		for MMT Computing see Electricals						
June	Dec.	M.Y. Dart. 10p	25	31.10	†0.25	—	1.4	—
May	Sept.	M'c'rthy Ph. 20p	142	15.8	7.0	2.7	7.0	6.7
Oct.	May	Macfarlane Gp.	136	19.9	†3.52	2.1	3.7	16.6
July	Nov.	Maclellan 20p	37	3.10	d1.5	1.6	5.8	13.3
Aug.	Mar.	Macpherson (D.)	49½	18.7	4.2	0.6	12.1	(21.2)
Oct.	Apr.	Magnolia Group	53	19.9	2.3	3.2	6.2	6.2
—		[illegible] 10p	63	—	—	—	—	67.2
Apr.	Oct.	Man. Ship Can. £1	165	9.80	3.5	6.8	3.1	5.0
Oct	Apr	Marley	81	15.8	†2.5	0.5	4.4	(7.8)
Feb.	Oct.	Marling Ind. 10p	40	12.12	†1.08	1.7	3.9	(18.0)
Dec.	Jun.	Marshall L'xy. 'A'	34	4.10	‡1.2	—	$	—
Jan.	July	Marshall's Univ	66	6.82	B—	—	—	13.2
Nov	May	Martin-Black	30	5.79	—	—	—	—
—		Mathesons 7¾%	£96	30.6	Q7¾%	2.3	f8.4	—
Jan.	June	Metal Box £1	314	28.11	†11.55	3.2	5.3	(7.7)
Nov.	June	Metal Closures	136	19.9	5.7	1.8	6.0	(11.8)
—		Metal Sciences 2p	25	—	—	—	—	—
April	Dec.	Metamec Jentique	18½	12.12	0.01	—	0.1	—
Dec.	June	Mettoy	7	5.80	—	—	—	—
July	Jan.	[illegible]	118	14.11	4.0	2.1	4.8	14.1
July	Dec.	Moben Grp 1p	27	19.9	†0.19	15.4	1.0	6.7
Mar.	Oct.	M'santo 5pc 82-6	£251	9.8	Q5%	—	f2.0	—
Jan.	July	Morgan Crucible	133	14.11	†7.5	0.6	8.1	(46.3)
Jan.	Aug.	Moss (Robt.) 10p	84	28.11	†2.0	2.4	3.4	15.5
May	Nov.	NMW Computers	200	3.10	4.0	4.0	2.9	12.4
Mar.	Sept.	Nash Inds.	60	1.8	4.0	♦	9.9	♦
Oct.	April	Neil&Sp'ncer 10p	36	3.80	—	—	—	—
Oct.	Apr.	New Equip 10p.	51	19.9	1.15	6.8	3.2	6.5
April	Oct.	Notton	50	12.12	1.0	2.9	2.9	17.6
Jan.	Aug.	Novcros	154½xd	30.12	b7.0	2.3	6.5	9.3
Oct.	April	Nu-Swift 5p	65¼	5.9	2.14	1.5	4.7	20.9
Feb.	Aug.	Oakwood Grp.	100	18.7	d6.5	2.1	9.3	7.3
Jan.	June	Office & Elect.	198	17.10	7.5	2.8	5.6	8.9
May	Nov	Oriflame Intl SA	750	3.10	†050c	2.2	4.7	9.7
Jan.	June	Ovenstone 12½c	40	14.11	†03½c	2.8	5.1	7.1
May	Nov.	Ozalid Fin. Cv.	£140	17.10	Q9%	—	f6.5	—
[illegible]								

INSURANCE

[illegible]

LEISURE

[illegible]

LEISURE—Continued

Dividends Paid		Stock	Price	Last xd	Div Net	C'vr	Y'ld Gr's	P/E
Jan-April		LWT "A"	196	14.11	11.08	1.8	8.1	[illegible]
Jan	Jul	Leisuretime Int 10p	53	19.9	g1.54	♦	4.7	[illegible]
June	Jan.	Magnt. Ag. N. 10p.	107	6.6	8.75	1.6	11.7	[illegible]
Apr.	Dec.	Medminster 10p	100	31.10	4.4	1.7	6.3	[illegible]
October		[illegible]	142	5.9	b3.0	2.5	2.8	[illegible]
—		Nationwide 5p	21½	—	—	—	—	[illegible]
—		[illegible] Int 20c	22	—	—	—	—	[illegible]
Jan.	Sept.	Norton Opax. 10p	123	1.8	t2.17	4.3	2.5	[illegible]
July		Owners Abroad	28¼	11.4	0.5	4.5	2.5	[illegible]
June	Nov	Photax (Lon.)	36	4.82	—	—	—	[illegible]
—		[illegible]	105	14.11	g1.5	♦	2.0	[illegible]
Sept.	Apr.	Pleasurama 5p.	332	1.8	6.5	♦	2.8	[illegible]
Feb-July		Radio City 'A' NV	150	12.12	[illegible]	1.6	5.3	[illegible]
July	Jan	Riley Leisure 10p	146	31.10	†3.95	1.7	3.9	[illegible]
Apr.	Nov.	Saga Hols. 20p.	110	12.12	d3.73	—	4.8	[illegible]
April		Samuelson Grp £1	290	21.2	12.0	♦	6.2	[illegible]
Dec	May	Scott. TV 'A' 10p	115	17.10	7.35	2.2	9.1	[illegible]
—		SelecTV 10p	31	—	—	—	—	[illegible]
May	Nov	TSW 5p	26	30.10	1.2	2.2	6.6	[illegible]
—		TVS N/Vtg 10p.	85	—	—	—	—	[illegible]
—		[illegible] 10p	22	—	b0.2	3.3	1.3	[illegible]
—		Tottenham Hotspur	89	—	b4.0	1.9	6.4	[illegible]
Oct	Apr	Trid'nt TV 'A' 10p.	132	18.7	†4.26	1.4	4.6	[illegible]
—		21st Century Oil	121	—	—	—	—	[illegible]
April	Sept	Webb (Jos.) 5p.	25½	15.8	d0.51	0.5	2.9	[illegible]
Apr.	Nov.	Zetters 5p	91	19.9	3.10	2.9	4.9	[illegible]

MOTORS, AIRCRAFT TRADES

Motors and Cycles

Dividends Paid		Stock	Price	Last xd	Div Net	C'vr	Y'ld Gr's	P/E
—		B.L. 50p	63	—	—	—	—	[illegible]
Nov	June	Coleman Motor 10p	57	19.9	†1.0	3.7	2.5	[illegible]
Mr.Je.S.D.		Gen. Mts. Units	255	11.11	Q12c	—	3.3	[illegible]
May	Nov	Honda Motor Y50.	328	18.11	†Q20%	9.1	0.9	[illegible]
Jan	Oct	Lotus Car 10p	68	11.81	—	—	—	[illegible]
—		Reliant Motor 10p.	32	—	—	—	—	[illegible]
[illegible]								

Commercial Vehicles

[illegible]

Components

[illegible]

Garages and Distributors

[illegible]

NEWSPAPERS, PUBLISHERS

[illegible]

PAPER, PRINTING ADVERTISING

[illegible]

PROPERTY

[illegible]

PROPERTY—Continued

[illegible]

SHIPPING

[illegible]

SHOES AND LEATHER

[illegible]

SOUTH AFRICANS

[illegible]

TEXTILES

[illegible]

TOBACCOS

[illegible]

TRUSTS, FINANCE, LAND

Investment Trusts

[illegible]

INVESTMENT TRUSTS-Cont.

[illegible]

Finance, Land, etc.

[illegible]

OIL AND GAS

[illegible]

OIL AND GAS—Continued

[illegible]

OVERSEAS TRADERS

[illegible]

PLANTATIONS

Rubbers, Palm Oil

[illegible]

Teas

[illegible]

MINES

Central Rand

[illegible]

Eastern Rand

[illegible]

Far West Rand

[illegible]

O.F.S.

[illegible]

Finance

[illegible]

Diamond and Platinum

[illegible]

Central African

[illegible]

MINES—continued

Australians

Dividends Paid		Stock	Price	Last xd	Div Net	C'vr	Y'ld Gr's
—		ACM 20c	18	—	—	—	—
—		Allstate Expln NL	30	—	—	—	—
—		Asia Oil & Mins.	4½	—	—	—	—
—		Australis Mng. NL	22	—	—	—	—
—		Balmoral Resources	15¼	—	—	—	—
—		Black Hill Mins.	31	—	—	—	—
—		Bond Corp	96	—	Q10c	0.7	7.1
Nov.	Apr	Bougainville 1 Kina	163	11.3	mQ3.21	1.2	1.2
May	Nov	CRA 50c	376	11.3	tQ3c	—	0.5
—		Carr Boyd 20c	68	—	—	—	—
—		Central Kalgoorlie	38	—	—	—	—
—		Central Pacific	22	—	—	—	—
—		Cons. Gold Mng Areas	3¼	—	—	—	—
—		Coopers Res N.L.	8	—	—	—	—
—		Crusader Oil	210	—	—	—	—
—		Cultus Pac NL	14	—	—	—	—
—		Eagle Corp 10c	10½	5.9	—	—	—
[illegible]							

Tins

[illegible]

Miscellaneous

[illegible]

NOTES

[illegible]

REGIONAL AND IRISH STOCKS

[illegible]

OPTIONS

3-month Call Rates

[illegible]

"Recent Issues" and "Rights" Page 14

CURRENCIES, MONEY and CAPITAL MARKETS

FOREIGN EXCHANGES

Waiting for data

BY COLIN MILLHAM

Most of last week was spent waiting nervously for figures on U.S. retail sales, industrial production and money supply. The foreign exchanges were looking for a rise of about 1.75 per cent in retail sales, but the published increase of only 0.1 per cent did nothing to suggest that economic growth is likely to cause any immediate inflationary problems.

The dollar touched a peak of DM 2.85 during the week, and after holding steady at around DM 2.83 before the retail sales announcement quickly lost about 2 pfennigs down to DM 2.81. Sterling, which had seen a record closing low of $1.3955 earlier on, and traded below $1.39 in the Far East, bounded up to $1.41 on the news.

The dollar opened the week on a very firm note, rising to the record peaks on Monday against sterling; the Dutch guilder; French franc; and Scandinavian currencies, fuelled by speculation that interest rates will remain firm to fund the very large U.S. budget deficit, rather than raise taxes during a Presidential election year. It also rose to the highest level for six years in terms of the Swiss franc, and to a 10-year high against the D-mark.

Several central banks probably intervened from time to time in an attempt to stem the dollar's advance, but the most obvious was the German Bundesbank on Monday, although the greater stability of the D-mark later in the week appeared to owe more to the market's view of the yen/D-mark cross rate than the efforts of the Bundesbank.

The D-mark briefly fell to an all-time low below Y82 against the yen, prompting the market to look again at the German currency's value, and leading to renewed demand, which not only helped the D-mark recover part of its losses against the yen, but pushed it up against the dollar.

Suddenly the speculation about possible levels of DM 3.00 or above for the dollar looked very far away, and the dollar fell quite sharply, only to see-saw during the rest of the week on a general reluctance to push the U.S. currency too quickly in either direction, until the economic data was available.

£ in New York

	Jan. 13	Previous
Spot	$1.4120-4140	$1.4010-4020
1 month	0.05-0.07 dis	0.04-0.05 dis
3 months	0.15-0.17 dis	0.13-0.15 dis
12 months	0.79-0.86 dis	0.75-0.80 dis

£ forward rates are quoted in U.S. cents discount.

FORWARD RATES AGAINST STERLING

	Spot	1 month	3 month	6 month	12 month
Dollar	1.4080	1.4085	1.4095	1.4111	1.4157
D-Mark	3.9625	3.9510	3.9303	3.9008	3.8425
French Franc	12.1150	12.1477	12.2349	12.3769	12.6355
Swiss Franc	3.1425	3.1259	3.0973	3.0562	2.9743
Japanese Yen	329.0	328.1	326.5	323.9	318.9

EMS EUROPEAN CURRENCY UNIT RATES

	ECU central rates	Currency amounts against ECU January 13	% change from central rate	% change adjusted for divergence	Divergence limit %
Belgian Franc	44.9008	46.0668	+2.60	+1.84	±1.5447
Danish Krona	8.14104	8.17853	+0.46	−0.30	±1.6425
German D-Mark	2.24184	2.25939	+0.78	+0.02	±1.0642
French Franc	6.87456	6.91091	+0.53	−0.23	±1.4052
Dutch Guilder	2.52595	2.53843	+0.49	−0.27	±1.4984
Irish Punt	0.72569	0.728410	+0.37	−0.39	±1.6699
Italian Lira	1403.49	1368.87	−2.47	−2.47	±4.1505

Changes are for ECU, therefore positive change denotes a weak currency. Adjustment calculated by Financial Times.

BANK OF ENGLAND TREASURY BILL TENDER

	Jan 13	Jan. 6		Jan. 13	Jan 6
Bills on offer	£100m	£100m	Top accepted rate of discount	8.8443%	8.8843%
Total of applications	£527.1m	£348.71m	Average rate of discount	8.8823%	8.8569%
Total allocated	£100m	£100m	Average yield	9.08%	9.07%
Minimum accepted bid	£97.785*	£97.786	Amount on offer at next tender	£100m	£100m
Allotment at minimum level	19%	17%			

* 91-day bills, 95-day bills £97.69

THE POUND SPOT AND FORWARD

Jan 13	Day's spread	Close	One month	% p.a.	Three months	% p.a.
U.S.	1.3980-1.4125	1.4075-1.4085	0.02-0.07c dis	−0.38	0.12-0.17dis	−0.41
Canada	1.7460-1.7620	1.7560-1.7570	0.05-0.15c dis	−0.68	0.13-0.23dis	−0.41
Nethlnd.	4.43¾-4.46¾	4.45-4.46	1½-1c dis	−3.31	3⅞-3⅜ dis	−3.20
Belgium	80.60-81.10	80.70-80.80	2-12c dis	−1.04	25-35c dis	−1.49
Denmark	14.31-14.38	14.32-14.33	1⅞-2¼ore dis	−1.94	5¾-6¾ dis	−1.73
Ireland	1.2740-1.2860	1.2760-1.2770	0.22-0.18p pm	1.88	0.57-0.49 pm	1.66
W. Ger.	3.95-3.98	3.95½-3.96½	1¼-pf pm	3.40	3½-3 pm	3.15
Portugal	191.00-193.00	191.50-192.00	130-305c dis	−13.61	440-980dis	−14.81
Spain	225.75-227.25	226.50-226.75	135-170c dis	−8.07	490-555 dis	−9.22
Italy	2398-2409	2400-2402	14¼-16¼lire dis	−7.62	44-47	−7.58
Norway	11.09-11.16	11.11½-11.12½	3-3½ore dis	−3.58	9⅞-8⅞ dis	−3.24
France	12.09-12.16	12.11-12.12	2¾-3¼c dis	−3.71	11½-12½c dis	−3.96
Sweden	11.50-11.56½	11.53½-11.54½	1½-2ore dis	−1.82	5-5¾ dis	−1.85
Japan	327½-330	328½-329½	0.90-0.83y pm	3.15	2.60-2.45 pm	3.07
Austria	27.87-28.03	27.90-27.95	8½-7¼gro pm	3.38	24-20½ pm	3.19
Switz.	3.12½-3.15½	3.13¾-3.14¾	1¾-1½c pm	6.20	4½-4 pm	5.41

Belgian rate is for convertible francs. Financial franc 82.55-82.65. Six-month forward dollar 0.28-0.33c dis. 12-month 0.72-0.82c dis.

THE DOLLAR SPOT AND FORWARD

Jan 13	Day's spread	Close	One month	% p.a.	Three months	% p.a.
UK†	1.3980-1.4125	1.4075-1.4085	0.02-0.07c dis	−0.38	0.12-0.17dis	−0.41
Ireland†	1.0840-1.1065	1.1045-1.1065	0.25-0.16c pm	2.23	0.61-0.49 pm	1.99
Canada	1.2470-1.2500	1.2470-1.2475	0.01 pm-0.01c dis	—	0.035-0.15pm	0.08
Nethlnd.	3.1550-3.1835	3.1610-3.1630	1.05-0.95c pm	3.79	3.00-2.85 pm	3.70
Belgium	57.33-57.80	57.33-57.35	2.00-3.00c dis	−0.52	13-16 dis	−1.01
Denmark	10.16½-10.25½	10.16½-10.17¼	1.20-1.50ore dis	−1.59	3.10-3.40dis	−1.28
W. Ger.	2.8060-2.8270	2.8120-2.8130	0.94-0.90pf pm	3.88	2.61-2.56 pm	3.67
Portugal	136.00-137.80	136-136½	90-210c dis	−13.21	300-680dis	−14.39
Spain	160.60-161.75	160.65-160.85	95-110c dis	−7.63	330-380 dis	−8.81
Italy	1701-1716½	1705-1706	10½-11lire dis	−7.57	30-31 dis	−7.16
Norway	7.8910-7.9370	7.9125-7.9715	2.10-2.40ore dis	−3.42	5.80-6.10dis	−3.01
France	8.5850-8.6725	8.6025-8.6075	2.00-2.20c dis	−2.93	7.50-8.00dis	−3.60
Sweden	8.1900-8.2380	8.1925-8.1975	0.90-1.05ore dis	−1.42	2.70-2.85dis	−1.35
Japan	232.65-234.80	233.55-233.65	0.72-0.68y pm	3.60	2.06-1.99 pm	3.47
Austria	19.80-19.97½	19.81-19.82	7.00-6.00gro pm	3.93	20-17 pm	3.73
Switz.	2.2230-2.2480	2.2295-2.2305	1.30-1.20c pm	6.73	3.47-3.38 pm	6.16

† UK and Ireland are quoted in U.S. currency. Forward premiums and discounts apply to the U.S. dollar and not to the individual currency. Belgian rate is for convertible francs. Financial franc 58.65-58.70.

OTHER CURRENCIES

Jan. 13	£	$		£ Note Rates
Argentina Peso	34.09-34.16	24.531-24.551	Austria	27.85-28.15
Australia Dollar	1.5490-1.5525	1.1020-1.1026	Belgium	81.90-82.70
Brazil Cruzeiro	1,380.27-1,407.18	993-998	Denmark	14.31-14.44
Finland Markka	8.3675-8.3745	5.9430-5.9480	France	12.09-12.21
Greek Drachma	143.80-144.40	102-103	Germany	3.95½-3.99½
Hong Kong Dollar	10.97¾-10.99	7.7920-7.7950	Italy	2405-2455
Iran Rial	124.15*	88.95*	Japan	327-333
Kuwait Dinar (KD)	0.4140-0.4150	0.29425-0.29440	Netherlands	4.44-4.48
Luxembourg Fr.	80.70-80.80	57.33-57.35	Norway	11.08-11.19
Malaysia Dollar	3.2950-3.3020	2.3385-2.3400	Portugal	190-206
New Zealand Dlr.	2.1650-2.1700	1.5375-1.5410	Spain	224¾-235
Saudi Arab. Riyal	4.9395-4.9460	3.5110-3.5115	Sweden	11.50-11.61
Singapore Dollar	2.9975-3.0050	2.1275-2.1290	Switzerland	3.13¼-3.16¼
Sth. African Rand	1.7548-1.7565	1.2460-1.2540	United States	1.39-1.41
U.A.E. Dirham	5.1665-5.1735	3.6720-3.6730	Yugoslavia	200-217

* Selling rates.

CURRENCY MOVEMENTS

Jan. 13	Bank of England Index	Morgan Guaranty Changes %
Sterling	82.1	−8.4
U.S. dollar	131.6	+19.1
Canadian dollar	92.7	+0.6
Austrian schilling	113.2	+1.9
Belgian franc	88.7	−12.1
Danish kroner	77.6	−6.9
Deutsche mark	123.3	+6.6
Swiss franc	150.6	+14.5
Guilder	115.4	+3.8
French franc	65.4	−15.8
Lira	48.5	−12.8
Yen	157.8	+13.4

Morgan Guaranty changes: average 1980-1982=100. Bank of England index (base average 1975=100).

CURRENCY RATES

Jan. 13	Bank rate %	Special Drawing Rights	European Currency Unit
Sterling	—	0.737028	0.569542
U.S. $	8½	1.03206	0.797244
Canadian $	9.99	*	0.996476
Austria Sch.	3¾	20.6051	15.9130
Belgian Fr	10	59.6427	46.0668
Danish Kr	7	10.5812	8.17853
D'mark	4	2.92475	2.25939
Guilder	5	3.28608	2.53843
French Fr.	9½	8.94590	6.91091
Lira	17	1772.05	1368.87
Yen	5	242.173	187.034
Norwgn Kr	8	8.19352	6.33334
Spanish Pta.	—	166.646	128.755
Swedish Kr.	8½	n/a	6.56770
Swiss Fr.	4	2.31697	1.79061
Greek Dr'ch	20½	106.374	82.1002

* CS/SDR rate for Jan 12: 1.28881

EXCHANGE CROSS RATES

Jan. 13	Pound St'rling	U.S. Dollar	Deutschem'k	Japanese Yen	French Franc	Swiss Franc	Dutch Guild	Italian Lira	Canada Dollar	Belgian Franc
Pound Sterling	1.	1.408	3.963	329.0	12.115	3.143	4.455	2401.	1.757	80.75
U.S. Dollar	0.710	1.	2.813	233.6	8.606	2.230	3.163	1706.	1.247	57.34
Deutschemark	0.252	0.356	1.	83.03	3.057	0.793	1.124	605.9	0.443	20.38
Japanese Yen 1,000	3.040	4.280	12.04	1000.	36.82	9.552	13.54	7298.	5.339	245.4
French Franc 10	0.825	1.162	3.271	271.6	10.	2.594	3.677	1982.	1.450	66.65
Swiss Franc	0.318	0.448	1.261	104.7	3.855	1.	1.418	764.0	0.559	25.70
Dutch Guilder	0.224	0.316	0.889	73.88	2.719	0.705	1.	538.9	0.394	18.13
Italian Lira 1,000	0.416	0.586	1.650	137.0	5.046	1.309	1.855	1000	0.732	33.63
Canadian Dollar	0.569	0.802	2.256	187.3	6.897	1.789	2.536	1367.	1.	45.97
Belgian Franc 100	1.238	1.744	4.907	407.4	15.00	3.892	5.517	2973.	2.175	100.

EURO-CURRENCY INTEREST RATES (Market closing rates)

Jan. 13	Sterling	U.S. Dollar	Canadian Dollar	Dutch Guilder	Swiss Franc	D-mark	French Franc	Italian Lira	Belgian Franc Conv.	Belgian Franc Fin.	Yen	Danish Kroner
Short term	8¾-9	9 1/16-9 3/16	9½-10	5⅞-6	1⅛-1¾	5⅝-5 15/16	12-12¼	15⅛-15½	10-10½	10-10½	5⅞-6	11-11⅛
7 day's notice	9-9⅛	9⅜-9⅝	9½-10	5⅞-6	1¾-2	5⅝-6 1/16	12-12¼	16-17¼	10-10⅛	10-10⅛	5 11/16-6 1/16	11-12
Month	9¼-9⅜	9⅛-9¼	9½-9¾	5⅞-6	3 7/16-3 9/16	5 13/16-5⅞	12⅛-12⅜	16⅛-17	10-10½	10½-10¾	6⅛-6¼	11⅜-11⅞
Three months	9½-9⅝	9 7/16-9 9/16	9⅝-9⅞	6 1/16-6 3/16	3 7/16-3¾	6⅛-6 5/16	13⅛-13⅜	16⅝-17⅛	10¾-11¼	10¾-11	6¼-6⅜	11-11½
Six months	9⅝-9¾	9⅞-10⅛	9 15/16-10 1/16	6¼-6⅜	4-4⅛	6 5/16-6⅜	13⅞-14⅛	17-17½	11⅛-11⅝	11⅛-11⅜	6 5/16-6 7/16	11-11½
One Year	9 11/16-10 1/16	10¼-10½	10 1/16-10 5/16	6 5/16-6 7/16	4 5/16-4 7/16	6 7/16-6⅝	14⅛-14⅜	18-18½	11¼-11¾	11⅛-11⅝	6 7/16-6 9/16	11⅛-11⅝

Asian $ (closing rates in Singapore): Short-term 9½-9⅝ per cent; seven days 9 7/16-9⅝ per cent; one month 9⅜-9½ per cent; three months 9 11/16-9 13/16 per cent; six months 10 1/16-10 3/16 per cent; one year 10⅜-10½ per cent. Long-term Eurodollars two years 11⅛-11⅜ per cent; three years 11½-11⅝ per cent; four years 11¾-12 per cent; five years 12⅛-12⅜ per cent nominal closing rates. Short-term rates are call for U.S. dollars and Japanese yen; others two days' notice.

FINANCIAL FUTURES

LONDON

THREE-MONTH EURODOLLAR $1m points of 100%

	Close	High	Low	Prev
March	90.16	90.20	89.88	89.94
June	89.80	89.83	89.56	89.62
Sept	89.50	89.51	89.29	89.34
Dec	89.24	89.24	89.06	89.04
March	—	—	—	88.85

Volume 6,023 (1,200)
Previous day's open int 9,021 (8,813)

THREE-MONTH STERLING DEPOSIT £250,000 points of 100%

	Close	High	Low	Prev
March	90.47	90.47	90.35	90.34
June	90.27	90.27	90.12	90.12
Sept	90.05	90.07	89.96	89.93
Dec	89.85	89.85	89.85	89.82

Volume 1,238 (1,644)
Previous day's open int 5,531 (5,563)

20-YEAR 12% NOTIONAL GILT £50,000 32nds of 100%

	Close	High	Low	Prev
March	109-28	109-28	109-01	109-00
June	109-11	109-11	108-17	108-15
Sept	108-30	—	—	108-03
Dec	108-17	—	—	107-22
March	108-04	—	—	107-09

Volume 4,034 (3,750)
Previous day's open int 2,965 (3,128)
Basis quote (clean cash price of 13¾% Treasury 2003 less equivalent price of near futures contract) 42 to 54 (32nds)

STERLING £25,000 $ per £

	Close	High	Low	Prev
March	1.4095	1.4125	1.4001	1.3975
June	1.4110	1.4145	1.4036	1.3990
Sept	—	—	—	1.4010

Volume 598 (285)
Previous day's open int 2,290 (2,263)

DEUTSCHE MARKS DM 125,000 $ per DM

	Close	High	Low	Prev
March	0.3580	0.3580	0.3550	0.3543
June	0.3611	—	—	1.3574
Sept	0.3642	—	—	0.3605

Volume 42 (111)
Previous day's open int 367 (288)

SWISS FRANCS SwFr 125,000 $ per SwFr

	Close	High	Low	Prev
March	0.4534	0.4534	0.4499	0.4490
June	0.4594	—	—	0.4550
Sept	—	—	—	—

Volume 4 (3)
Previous day's open int 161 (161)

JAPANESE YEN Y12.5m $ per Y100

	Close	High	Low	Prev
March	0.4308	0.4308	0.4285	0.4278
June	0.4348	—	—	0.4318
Sept	—	—	—	—

Volume 3 (162)
Previous day's open int 278 (271)

CHICAGO

U.S. TREASURY BONDS (CBT) 8% $100,000 32nds of 100%

	Close	High	Low	Prev
March	71-15	71-20	70-29	70-14
June	70-28	71-02	70-11	69-28
Sept	70-10	70-15	69-28	69-11
Dec	69-28	69-29	69-11	68-27
March	69-11	69-13	68-27	68-13
June	68-29	69-00	68-16	68-00
Sept	68-16	68-20	68-16	67-20
Dec	68-05	68-09	67-28	67-09
March	—	—	—	—
June	—	—	—	—
Sept	—	—	—	—

U.S. TREASURY BILLS (IMM) $1m points of 100%

	Close	High	Low	Prev
March	91.10	91.16	90.95	90.81
June	90.76	90.82	90.62	90.49
Sept	90.47	90.52	90.35	90.22
Dec	90.19	90.23	90.12	89.96
March	89.93	89.97	89.87	89.73
June	89.69	89.72	89.68	89.51
Sept	89.47	89.50	89.45	89.33
Dec	89.26	89.28	—	89.15

CERT. DEPOSIT (IMM) $1m points of 100%

	Close	High	Low	Prev
March	90.43	90.52	90.14	90.09
June	90.06	90.14	89.89	89.72
Sept	89.72	89.76	89.57	89.40
Dec	—	—	—	—
March	—	—	—	—
June	—	—	—	—

THREE-MONTH EURODOLLAR (IMM) $1m points of 100%

	Close	High	Low	Prev
March	89.97	90.05	89.68	89.64
June	89.64	89.70	89.35	89.32
Sept	89.34	89.38	89.15	89.03
Dec	89.06	89.08	88.87	88.76
March	88.76	88.77	88.62	88.51
June	88.46	88.45	—	88.27

STERLING (IMM) $s per £

	Close	High	Low	Prev
March	1.4125	1.4170	1.4020	1.4035
June	1.4140	1.4190	1.4035	1.4055
Sept	1.4155	1.4250	1.4140	1.4075
Dec	1.4170	1.4250	1.4115	1.4115
March	1.4185	1.4250	1.4170	1.4095
June	—	—	—	—

GNMA (CBT) 8% $100,000 32nds of 100%

	Close	High	Low	Prev
March	69-28	70-02	69-20	69-07
June	66-29	69-01	68-22	68-09
Sept	68-01	68-04	67-27	67-13
Dec	67-09	67-12	67-03	66-21
March	—	—	—	—
June	66-02	66-05	66-02	65-16
Sept	65-19	—	—	65-02
Dec	65-06	—	—	64-22
March	—	—	—	—
June	—	—	—	—
Sept	—	—	—	—

WEEKLY CHANGE IN WORLD INTEREST RATES

	Jan. 13	change		Jan. 13	change
LONDON			NEW YORK		
Base rates	9	Unch'd	Prime rates	11	Unch'd
7 day interbank	9 1/16	−⅛	Federal funds	9⅝	−⅛
3 mth interbank	9 3/16	−1/16	3 Mth. Treasury Bills	8.78	−0.11
Treasury Bill Tender	8.8823	−0.0154	6 Mth. Treasury Bills	8.91	−0.17
Band 1 Bills	9 1/16	Unch'd	3 Mth. C D	9.35	−0.15
Band 2 Bills	9	Unch'd	FRANKFURT		
Band 3 Bills	8⅞	Unch'd	Lombard	5.50	Unch'd
3 Mth. Treasury Bills	8⅞	Unch'd	One Mth. Interbank	6.025	+0.05
1 Mth. Bank Bills	9	−⅛	Three month	6.125	+0.125
3 Mth. Bank Bills	8 15/16	Unch'd	PARIS		
TOKYO			Intervention Rate	12	Unch'd
One month Bills	6.15625	Unch'd	One Mth. Interbank	12.3125	+0.0625
Three month Bills	6.28125	Unch'd	Three month	12.3125	Unch'd
BRUSSELS			MILAN		
One month	10½	−⅛	One month	17 11/16	+⅛
Three month	10⅞	−⅛	Three month	17 13/16	+⅛
AMSTERDAM			DUBLIN		
One month	5 13/16	+⅛	One month	12	−⅛
Three month	6 1/16	+1/16	Three month	12⅛	Unch'd

London—band 1 bills mature in up to 14 days, band 2 bills 15 to 33 days, and band 3 bills 34 to 63 days. Rates quoted represent Bank of England buying or selling rates with the money market. In other centres rates are generally deposit rates in the domestic money market and their respective changes during the week. Band 4 bills 8⅞.

BASE LENDING RATES

A.B.N. Bank	9 %	■ Hambros Bank	9 %
Allied Irish Bank	9 %	Heritable & Gen. Trust	9 %
Amro Bank	9 %	■ Hill Samuel	§ 9 %
Henry Ansbacher	9 %	C. Hoare & Co.	† 9 %
Arbuthnot Latham	9 %	Hongkong & Shanghai	9 %
Armco Trust Ltd.	9 %	Kingsnorth Trust Ltd.	10 %
Associates Cap. Corp.	9½%	Knowsley & Co. Ltd.	9½%
Banco de Bilbao	9 %	Lloyds Bank	9 %
Bank Hapoalim BM	9 %	Mallinhall Limited	9 %
BCCI	9 %	Edward Manson & Co.	10 %
Bank of Ireland	9 %	Meghraj and Sons Ltd.	9 %
Bank Leumi (UK) plc	9 %	Midland Bank	9 %
Bank of Cyprus	9 %	■ Morgan Grenfell	9 %
Bank of Scotland	9 %	National Bk. of Kuwait	9 %
Banque Belge Ltd.	9 %	National Girobank	9 %
Banque du Rhone	10 %	National Westminster	9 %
Barclays Bank	9 %	Norwich Gen. Tst.	9 %
Beneficial Trust Ltd.	10 %	R. Raphael & Sons	9 %
Bremar Holdings Ltd.	9 %	P. S. Refson & Co.	9 %
Brit. Bank of Mid. East	9 %	Roxburghe Guarantee	9½%
■ Brown Shipley	9 %	Royal Trust Co. Canada	9 %
CL Bank Nederland	9 %	■ J Henry Schroder Wagg	9 %
Canada Perm't Trust	10 %	Standard Chartered	‖ 9 %
Castle Court Trust Ltd.	9½%	Trade Dev. Bank	9 %
Cayzer Ltd.	9 %	TCB	9 %
Cedar Holdings	9 %	Trustee Savings Bank	9 %
■ Charterhouse Japhet	9 %	United Bank of Kuwait	9 %
Choulartons	10½%	United Mizrahi Bank	9 %
Citibank Savings	¶10½%	Volkskas Intnl. Ltd.	9 %
Clydesdale Bank	9 %	Westpac Banking Corp.	9 %
C. E. Coates	9½%	Whiteaway Laidlaw	9½%
Comm. Bk. of N. East	9 %	Williams & Glyn's	9 %
Consolidated Credits	9 %	Wintrust Secs. Ltd.	9 %
Co-operative Bank	* 9 %	Yorkshire Bank	9 %
The Cyprus Popular Bk.	9 %		
Dunbar & Co. Ltd.	9 %		
Duncan Lawrie	9 %		
E. T. Trust	9½%		
Exeter Trust Ltd.	10 %		
First Nat. Fin. Corp.	11 %		
First Nat. Secs. Ltd.	10½%		
Robert Fraser	10 %		
Grindlays Bank	‡ 9 %		
■ Guinness Mahon	9 %		

■ Members of the Accepting Houses Committee.
* 7-day deposits 5.5%. 1-month 6%. Fixed rate 12 months £2,500 9%; £25,000 12 months 9.5%.
† 7-day deposits on sums of under £10,000 5½%, £10,000 up to £50,000 6½%, £50,000 and over 7½%.
‡ Call deposits £1,000 and over 5½%.
‖ 21-day deposits over £1,000 6½%.
§ Demand deposits 5½%.
¶ Mortgage base rate.

MONEY MARKETS

Pressure eases

Upward pressure on London money market interest rates eased towards the end of last week, as sterling rose above the $1.40 level. Earlier in the week the pound's fall to record lows against the dollar was a factor behind speculation about a rise in clearing bank base lending rates.

Another reason for the initial rise in market rates was the UK December money supply figures published Tuesday. A rise of 1.25 per cent in sterling M3 was not outside market predictions, but confirmed fears of a disappointing rise in the broadly-based money supply figure, nearly as bad as the 1.5 per cent increase in October.

Conditions have been very quiet in the market since the last cut in base rates in early October, but the combination of sterling's fall against the very strong dollar and the sharp rise in money supply pushed up the three-month interbank rate to 9 3/16 per cent on Thursday from 9⅛ per cent at the end of the previous week, before the steadying of the pound led to a slight decline on Friday.

The arguments for higher base rates had also been reassessed by the end of the week, with the market generally doubting the willingness of the Government to allow a rise in interest rates, which will do nothing to stimulate Britain's fragile economic recovery. At the same time it was suggested that the dollar's sharp rise against all currencies may be temporary, and that an increase of 1 per cent in base rates would be more likely to increase the pound's value against the UK's Continental competitors rather than the dollar.

Conditions were fairly comfortable in the money market on Thursday and Friday, and the authorities had no problem in absorbing the shortages. This was in contrast to the liquidity problems on the first three days when a shortage of bills in the market led the Bank of England to provide late assistance of £240m on Monday, a repurchase agreement of £450m on Tuesday, and another repurchase pact amounting to £164m on Wednesday.

UK clearing banks' base lending rate 9 per cent (since October 4 and 5)

MONEY RATES

Jan. 13	Frankfurt	Paris	Zurich	Amst'dam	Tokyo	Milan	Brussels	Dublin
Overnight	5.50-5.60	12⅞	1-2	5⅝-5¾	6.15625	17⅛-17⅞	9.35	11⅜-11⅞
One month	5.95-6.10	12¼-12⅜	3 5/16-3 7/16	5⅞-6	6.15625	17⅛-17⅞	10⅜-10⅝	11⅞-12⅛
Two months	6.00-6.10	12¼-12⅜	—	—	—	—	—	12-12¼
Three months	6.05-6.20	12¼-12⅜	3⅝-3¾	6⅛-6¼	6.21875	17¾-18⅛	10¾-11	12-12¼
Six months	6.35-6.50	12⅜-12½	—	6⅜-6½	—	—	11-11⅜	12¼-12½
Lombard	5.5	—	—	—	—	—	—	—
Intervention	—	12	—	6⅞	—	—	—	—

LONDON MONEY RATES

Discount Houses Deposit and Bill Rates

Jan. 13 1984	Sterling Certificate of deposit	Interbank	Local Authority deposits	Company Deposits	Market Deposits	Treasury (Buy)	Treasury (Sell)	Eligible Bank (Buy)	Eligible Bank (Sell)	Fine Trade (Buy)
Overnight	—	6-10	8¾	8-9	6-10	—	—	—	—	—
2 days notice	—	—	8⅞-9	—	—	—	—	—	—	—
7 days or 7 day notice	—	9-9⅛	9	8¾-9⅛	8⅞	—	—	—	—	—
One month	9 1/16-9¼	9¼-9⅜	9¼	9½	9-9 1/16	9	8 13/16	9	8 13/16	9⅝
Two months	9 5/16-9 7/16	9 5/16-9 7/16	9 5/16	9⅜	9-9⅛	8 13/16	8⅞	8 15/16	8 13/16	9 5/16
Three months	9 7/16-9⅝	9 7/16-9⅝	9⅝	9⅞	9-9⅛	8⅞	8 13/16-8 27/32	8 15/16	8⅞	9 5/16
Six months	9⅝-9 13/16	9 11/16-9 13/16	9⅝	—	—	—	—	9⅛	9 1/16	9¼
Nine months	9 11/16-9 15/16	9⅞-10	9¾	—	—	—	—	—	—	—
One year	9 13/16-9 15/16	10-10⅛	9¾	—	—	—	—	—	—	—

	Local Auth. negotiable bonds	Local Authority Deposits	Finance House Deposits	$ Certs of Deposits	SDR Linked Deposits	ECU Linked Deposits
One month	9⅞-9⅝	—	9¼	9.5-9.6	8⅝-9	9-9⅜
Two months	9⅞-9⅝	—	9⅜	9.55-9.65	8¾-9⅛	9⅛-9⅜
Three months	9⅞-9⅝	—	9½	9.65-9.75	8 13/16-9 3/16	9¼-9⅝
Six months	9¼-9	—	9⅝	9.85-9.95	9⅛-9½	9⅝-10
Nine months	10-9¾	—	9⅞	9.95-10.15	—	—
One year	10-9¾	—	10	10.10-10.30	9 5/16-9 11/16	9 13/16-10 3/16
Two years	—	10⅛	—	—	—	—
Three years	—	10⅞	—	—	—	—
Four years	—	11	—	—	—	—
Five years	—	11⅛	—	—	—	—

ECGD Fixed Rate Export Finance Scheme IV Average Rate for interest period December 7 1983 to January 3 1984 (inclusive) 9.492 per cent. Local authorities and finance houses seven days' notice, others seven days' fixed. Finance Houses Base Rates (published by the Finance Houses Association): 9½ per cent from January 1 1984. London and Scottish Clearing Bank Rates for lending 9 per cent. London Deposit Rates for sums at seven days' notice 5½ per cent. Treasury Bills: Average tender rate of discount 8.8823 per cent. Certificates of Tax Deposit (Series 6). Deposits of £100,000 and over held under one month; 8½ per cent; one-three months 9⅛ per cent; three-six months 10 per cent; six-12 months 10⅛ per cent. Under £100,000 9½ per cent from January 12. Deposits held under Series 4-5 10⅛ per cent. The rate for all deposits withdrawn for cash 8 per cent.

NEW YORK (4 pm)

Prime rate	11
Broker loan rate	10½
Fed funds	9⅛
No fed intervention	(—)

Treasury Bills

One month	8.70
Two month	8.75
Three month	8.71
Six month	8.82
One year	8.91

Treasury Bonds

Two year	100 23/32
Three year	100⅛
Four year	100 5/32
Five year	100¼
Seven year	101¼
10 year	101 7/32
30 year	102 27/32

FT LONDON INTERBANK FIXING

LONDON INTERBANK FIXING 11.00 a.m. January 13)

3 months U.S. dollars	
bid 9 7/8	offer 10

6 months U.S. dollars	
bid 10 1/8	offer 10 1/4

The fixing rates are the arithmetic means, rounded to the nearest one-sixteenth, of the bid and offered rates for $10m quoted by the market to five reference banks at 11 am each working day. The banks are National Westminster Bank, Bank of Tokyo, Deutsche Bank, Banque Nationale de Paris and Morgan Guaranty Trust.